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National Association of Federally-Insured Credit Unions

May 2, 2023

The Honorable Rohit Chopra
Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

RE: Planned Re-Analysis of Credit Unions' 2020, 2021, and 2022 HMDA Filings

Dear Director Chopra:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), I am writing to you regarding the Consumer Financial Protection Bureau (CFPB) Home Mortgage Disclosure Act (HMDA) Operation team's planned re-analysis of some credit unions' 2020, 2021, and 2022 HMDA filings. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 135 million consumers with personal and small financial service products. Over the past few weeks, the CFPB has notified a number of credit unions that their 2020, 2021, and 2022 HMDA Loan/Application Registers (LAR) may contain invalid entries in Data Field 13: Street Address. These communications provide generic examples of why credit unions' entries in Data Field 13 may be invalid, highlight relevant portions of the CFPB's HMDA Data Filing Instructions Guide, and encourage credit unions to review and, if necessary, resubmit their 2020, 2021, and 2022 HMDA LARs before the CFPB HMDA Operations team re-analyzes the data on May 15, 2023. Yet, in none of these communications, so far as NAFCU is aware, has the CFPB specifically identified any potentially invalid HMDA LAR entries.

NAFCU and its member credit unions firmly believe in the financial inclusion, financial empowerment, and fair dealing principles on which the credit union system was founded. And NAFCU and its member credit unions strongly support transparency in the residential mortgage lending market. However, the CFPB's expectations here are wholly unreasonable. Mortgage lending sits at the center of the credit union system. Because credit unions are founded and operated to serve their communities, credit unions can offer better rates and higher dividends than for-profit banks. As a result, many credit unions are among their communities' most active mortgage lenders. The CFPB is not simply asking credit unions to review a handful of HMDA LAR entries it has identified as potentially invalid. Rather, the CFPB has chosen not to identify the specific entries underlying its concerns and is effectively forcing credit unions to conduct unnecessarily expensive, inefficient reviews of fully three years' worth of HMDA data, some of which the CFPB has had for more than two years, in less than 30 days. Such a request is not only unrealistic but also incredibly burdensome.

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NAFCU urges the CFPB to immediately share with affected credit unions the specific HMDA LAR entries underlying its concerns and to immediately delay the May 15, 2023, planned re-analysis of credit unions' 2020, 2021, and 2022 HMDA filings to ensure credit unions have a reasonable opportunity to review the CFPB's concerns and, if necessary, resubmit their 2020, 2021, and 2022 HMDA LARs.

Sincerely,

A handwritten signature in black ink that reads "Dale R. Baker". The signature is written in a cursive, flowing style.

Dale R. Baker
Regulatory Affairs Counsel