

## **Elizabeth A Duke: Opening remarks at the public hearing on potential revisions to the Home Mortgage Disclosure Act**

Opening remarks by Ms Elizabeth A Duke, Member of the Board of Governors of the Federal Reserve System, at the public hearing on potential revisions to the Home Mortgage Disclosure Act, Washington DC, 24 September 2010.

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Good Morning. On behalf of the Board of Governors of the Federal Reserve System, I'd like to welcome everyone to the last of our series of public hearings held to discuss changes to the Home Mortgage Disclosure Act (HMDA). The knowledge and feedback we have gained from these hearings will help us to assess the adequacy of current mortgage data, examine the need for additional data, and explore possible changes to Regulation C, which implements HMDA. I'd like to thank our colleagues at the Federal Reserve Banks of Atlanta, San Francisco, and Chicago for hosting the first three hearings.

Our series of hearings kicked off just as Congress passed regulatory reform legislation earlier this summer. The Dodd-Frank Act provides for some changes to HMDA data collection and submission, and we look forward to hearing from our panelists and members of the public about the implementation of these changes. The new law also transfers authority for HMDA rulemaking from the Board of Governors to the new Consumer Financial Protection Bureau (CFPB). All information gleaned from these hearings will inform our own work for the time that we continue to have rulewriting authority. When that authority transfers to the CFPB, be assured that we will hand over the most current thinking about changes to Regulation C.

Over the course of these hearings, we have heard from key players in the home mortgage market: lenders and other market participants, academics and researchers, consumer advocacy and community development organizations, data experts, regulators, and other public officials. Although they play different roles, we believe that all share a common goal: To ensure that the mortgage market is responsible, transparent, efficient, and serves the needs of consumers and market participants alike.

Clearly, the recent mortgage crisis has highlighted the potential ramifications of a mortgage market that is *not* functioning well. HMDA data do not create the market or solve all market problems, but they do help us understand what is happening in the market. The time is certainly ripe for reviewing and revising the data elements, standards, and reporting formats.

HMDA has three purposes. One is to provide the public and government officials with data that will help show whether lenders are serving the housing needs of the neighborhoods and communities in which they are located. A second is to help government officials target public investment to promote private investment where it is needed. A third purpose is to provide data to assist in identifying possible discriminatory lending patterns and facilitate the enforcement of anti-discrimination laws, such as the Equal Credit Opportunity Act.

Today's hearing is intended to serve as a venue to discuss whether or not the 2002 revisions to Regulation C provided useful and accurate information about the mortgage market, to gather information that will help assess the need for additional data elements or improvements, and to identify emerging issues in the mortgage market that may require additional research. As I said earlier, we are also interested in any comments on the implementation of the HMDA elements of the regulatory reform legislation.

We have gathered this morning an impressive array of panelists representing a broad spectrum of vantage points, and we look forward to their comments. This input, together with the input of the preceding hearings and written comments submitted from the public, will be carefully weighed as we consider changes to Regulation C.