ABOUT THE FAIR HOUSING ACT

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability).

Additionally, Palm Beach County prohibits discrimination in housing based on sexual orientation, age, and marital status.

WHERE CAN I GET MORE INFORMATION?

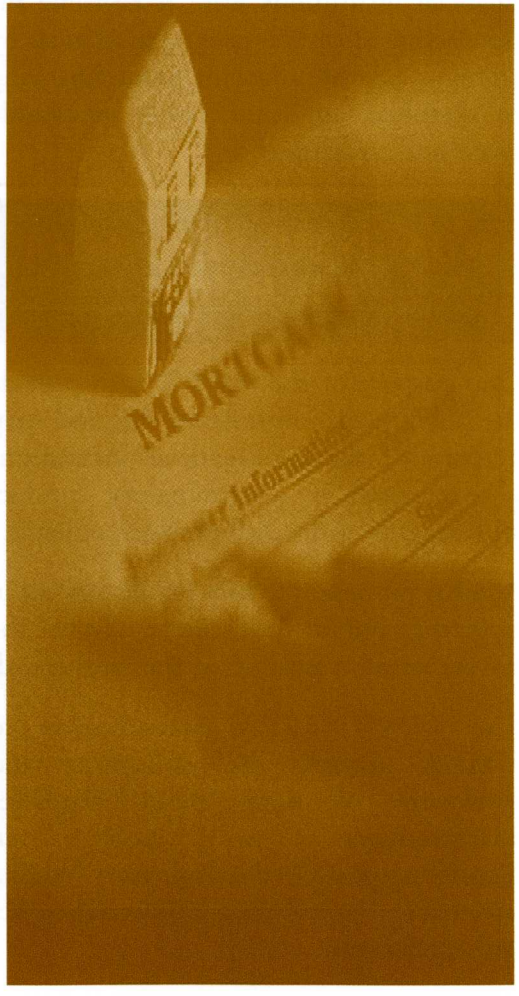
Legal Aid Society of
Palm Beach County, Inc.
Fair Housing Project
423 Fern Street Suite 200
West Palm Beach, FL 33401
Phone: (561) 655-8944
Fax: (561) 655-5269

FAIR HOUSING PROJECT

Legal Aid Society of Palm Beach County, Inc.
Fair Housing Project
423 Fern Street. Suite 200
West Palm Beach, FL 33401

The Legal Aid Society of Palm Beach County: The Fair Housing Project

The Home Mortgage Disclosure Act



WHAT IS THE HMDA?

The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and is implemented by the Federal Reserve Board's Regulation C (12 CFR 203).

The HMDA grew out of a public concern over credit shortages in urban areas that resulted from discrimination against certain groups of people. Congress believed that financial institutions were responsible for the decline of certain geographical areas by failing to provide adequate home financing to qualified applicants with reasonable terms and conditions.

WHAT IS THE PURPOSE OF THE HMDA?

One purpose of the HMDA is to provide the public with information that will help determine whether financial institutions have engaged in discriminatory conduct with regards to the disbursement of loans.

Another purpose is to help public officials in targeting public investments from the private sector to areas where they are needed.

The 1989 FIRREA Amendments to HMDA require the collection and disclosure of data about borrower characteristics to assist in identifying possible discriminatory lending patterns and to enforce administrative rules and regulations.

HOW DOES HMDA WORK?

Financial institutions are required to report lending data for each calendar year, regarding its applications, originations, and purchasers of home purchase loans, home improvement loans, and refinancings. Data must also be given for loan applications that did not result in originations, including applications denied, withdrawn, or not completed for other reasons.

The HMDA requires lenders to report the ethnicity, race, gender, and gross income of mortgage applicants and borrowers. Lenders must also report information regarding the pricing of the loan and whether the loan is subject to the Home Ownership and Equity Protection Act.

This information is them compiled through the Federal Financial Institutions Examination Council (FFIEC). These reports can be accessed by the public at the FFIEC Web site (www.ffiec.gov\HMDA).

The supervisory agencies then use the HMDA data as a screening tool to identify aspects of a financial institution's mortgage activities that may warrant scrutiny to determine whether discriminatory practices are present. However, HMDA data alone cannot be used to determine if discriminatory practices have been used because it does not include other important determinants of loan pricing and qualifications.

WHO IS REGULATED BY THE HMDA?

The HMDA regulates two categories of financial institutions: (1) Banks, which include savings associations and credit unions and (2) mortgage lending institutions.

HOW IS THE HMDA ENFORCED?

The HMDA is enforced by the Office of the Comptroller of the Currency (OCC) for national banks and their operating subsidiaries (and federal branches) and federal agencies of foreign banks.

Administrative sanctions include civil money damages which may be imposed by the OCC for noncompliance.

SUMMARY OF OBJECTIVES OF THE HMDA

The following is a brief summary of the primary objectives of the HMDA:

- To eliminate discriminatory practices by financial institutions that would result in the decline of urban areas.
- To accurately report loan data to be compiled in an effort to provide the public with a tool to determine whether discrimination has occurred.