Overview
The following policy describes how CMG Mortgage, Inc., dba CMG Financial, NMLS #1820, (“CMG”) complies with the Home Mortgage Disclosure Act (HMDA) and its implementing regulation, Regulation C.

Ownership
Document Owner: Compliance
Applicable Channel(s): All Channels
Process Responsibility: All Staff

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Background

HMDA and Regulation C require financial institutions to collect, record, report, and disclose data about their mortgage lending activity. Institutions must report that data to the appropriate Federal agency annually, and must provide the public with notices regarding the publication of data. While previously administered by the Federal Reserve Board, under the Dodd-Frank Wall Street Reform and Consumer Protection Act, authority over HMDA and Regulation C has been transferred to the Consumer Financial Protection Bureau (CFPB).

Scope and Purpose of Policy

This Policy reflects CMG’s policies and procedures for complying with HMDA and Regulation C as amended by the CFPB’s final rule issued on October 15, 2015. The Policy applies to covered transactions for which CMG takes final action on or after January 1, 2018.

The purpose of this Policy is to ensure that CMG complies with the requirements of HMDA and Regulation C.

Roles and Responsibilities

A. Executive Management

CMG’s Executive Management is responsible for ensuring that CMG complies with HMDA and Regulation C and has appropriate policies and procedures in place to ensure compliance with the requirements of agencies, investors, and other relevant parties with which CMG does business.

Executive Management reviews this Policy no less than annually and as appropriate in response to changes in laws, business operations, and the requirements of agencies, investors, and other relevant parties.

B. Risk Department

Executive Management delegates day-to-day oversight responsibilities for compliance with HMDA, Regulation C, and this Policy to the Risk Department. The Risk Department is the source of information regarding HMDA requirements and is responsible for developing and updating this Policy based on the direction of Executive Management.

The Risk Department’s responsibilities include:

- Monitoring changes in laws and in policies and procedures of creditors, investors, and other relevant parties with which CMG does business, and assessing if changes to this Policy should be recommended.
- Ensuring management and employees are appropriately trained in and knowledgeable of the requirements under HMDA, Regulation C, and this Policy.
- Working with business lines to identify business processes subject to HMDA and Regulation C and any other areas of compliance risk.
- Working with business lines whose operations are subject to HMDA and Regulation C to create plans or procedures for complying with HMDA and Regulation C.
- In accordance with CMG’s Vendor Management Program, performing due diligence on prospective vendors and ensuring any current vendors and third party service providers with responsibilities requiring compliance with HMDA and Regulation C requirements have appropriate policies and procedures and training programs to provide for compliance with HMDA, Regulation C, and this Policy.
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- Ensuring that reviews are conducted by an independent Internal Audit Team to ensure and assess compliance with HMDA, Regulation C, and this Policy, and ensuring that this Policy, training programs, and other internal controls are appropriately updated as a result of audit findings and other applicable concerns.
- Reviewing the data reported on the LAR on a quarterly basis to ensure the required elements are completely and accurately recorded.
- Addressing HMDA issues that may arise, by getting answers, finding solutions, and ensuring those solutions are timely and fully implemented.
- Conferring with inside and outside legal counsel as appropriate regarding HMDA and Regulation C requirements.
- Assisting with regulatory inquiries or audits addressing HMDA and Regulation C.
- Periodically reporting to Executive Management regarding compliance with HMDA, Regulation C, and this Policy, including the results of audit findings as applicable.

All employees are encouraged to contact the Compliance Team in the Risk Department with questions regarding HMDA compliance.

### C. Internal Audit and Fair Lending

CMG’s Internal Audit Team is responsible for conducting regular audits of CMG’s HMDA data in order to analyze data integrity and assess whether potential fair lending issues exist. CMG retains a third-party firm, TRUPOINT Partners, to perform statistical regression analyses on the HMDA data in order to determine whether potential underwriting, pricing, or steering/redlining issues exist. The firm’s analysis is reviewed on a quarterly basis by the Chief Legal and Risk Officer, VP of Risk Management and Compliance Manager.

### D. Employees

Applicable CMG employees are responsible for understanding and complying with HMDA, Regulation C, and this Policy and must participate in the applicable training as designed by the Risk Department regarding HMDA and Regulation C. The HMDA Procedure identifies which employees are responsible for collecting and recording HMDA data and verifying the accuracy of the data in each loan file.

### Definitions

For purposes of this Policy, the following terms have the meanings set forth below. These definitions are for convenience and reference purposes only. Official definitions may be found in Regulation C.

**Application:** an oral or written request for a covered loan that is made in accordance with procedures used by CMG for the type of credit requested. CMG defines a HMDA application as follows an application with all six pieces as defined in the TILA-RESPA Integrated Disclosure Rule – borrower’s name, borrower’s income, borrower’s Social Security number to obtain a credit report, property address, estimate of the value of the property and loan amount sought. For CMG’s first mortgage equity line, the All in One loan, a HMDA application also includes the submission of documentation. Loans submitted by a Mini-Correspondent lender (aka Select Partner) become a HMDA application once CMG issues a credit decision.

**Branch office:** any office that takes applications from the public for covered loans. CMG is also deemed to have a branch office in a Metropolitan Statistical Area (MSA) or in a Metropolitan Division (MD), if, in the preceding calendar year, it received applications for, originated, or purchased five or more covered loans related to property located in that MSA or MD, respectively.

**Closed-end mortgage loan:** an extension of credit that is secured by a lien on a dwelling and that is not an open-end line of credit.
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Covered loan: a closed-end mortgage loan or an open-end line of credit that is not an excluded transaction under Regulation C § 1003.3(c).

Dwelling: a residential structure, whether or not attached to real property. The term includes but is not limited to a detached home, an individual condominium or cooperative unit, a manufactured home or other factory-built home, or a multifamily residential structure or community.

Home improvement loan: a closed-end mortgage loan or an open-end line of credit that is for the purpose, in whole or in part, of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which the dwelling is located.

Home purchase loan: a closed-end mortgage loan or an open-end line of credit that is for the purpose, in whole or in part, of purchasing a dwelling.

Manufactured home: any residential structure as defined under regulations of the U.S. Department of Housing and Urban Development (HUD) establishing manufactured home construction and safety standards (24 CFR § 3280.2). For purposes of reporting Construction Method as described below, the term also includes a multifamily dwelling that is a manufactured home community.

Metropolitan Division (MD): a metropolitan division of an MSA, as defined by the U.S. Office of Management and Budget (OMB).

Metropolitan Statistical Area (MSA): a metropolitan statistical area as defined by the OMB.

Multifamily dwelling: a dwelling, regardless of construction method, that contains five or more individual dwelling units.

Open-end line of credit: an extension of credit that: (1) is secured by a lien on a dwelling; and (2) is an open-end credit plan as defined in Regulation Z § 1026.2(a)(20), but without regard to whether the credit is consumer credit, as defined in § 1026.2(a)(12), is extended by a creditor, as defined in § 1026.2(a)(17), or is extended to a consumer, as defined in § 1026.2(a)(11).

Preapproval program: a request for preapproval for a home purchase loan in which CMG completes a comprehensive analysis of the creditworthiness of the applicant by reviewing the applicant’s income and asset documentation and issues a written commitment to the applicant valid for a designated period of time to extend a home purchase loan up to a specified amount. The written commitment may not be subject to conditions other than:

- conditions that require the identification of a suitable property;
- conditions that require that no material change has occurred in the applicant’s financial condition or creditworthiness prior to closing; and
- limited conditions that are not related to the financial condition or creditworthiness of the applicant that the financial institution ordinarily attaches to a traditional home mortgage application.

CMG does have a HMDA-reportable preapproval program in the Retail channel. CMG does not have a HMDA-reportable preapproval program in Wholesale since no written commitment is provided to the applicant.

Refinancing: a closed-end mortgage loan or an open-end line of credit in which a new, dwelling-secured debt obligation satisfies and replaces an existing, dwelling-secured debt obligation by the same borrower.

Reverse mortgage: a closed-end mortgage loan or an open-end line of credit that is a reverse mortgage transaction as defined in Regulation Z § 1026.33(a), but without regard to whether the security interest is created in a principal dwelling.

CMG does not originate reverse mortgage. CMG only brokers out reverse mortgages to other lenders who will be responsible for HMDA reporting due to making the credit decision.
Coverage Thresholds and Covered Transactions

A. Coverage Thresholds
Every year, CMG will evaluate whether it qualifies as a “Financial Institution” under Regulation C § 1003.2 and is therefore subject to HMDA’s reporting and recording requirements for the coming year.

A financial institution is subject to HMDA if:

1. On the preceding December 31, it had a home or branch office in an MSA, or, in the preceding calendar year, it received applications for, originated, or purchased five or more home purchase loans, home improvement loans, or refinancings related to property located in the same MSA or MD; and
2. In each of the two preceding years, it originated at least:
   a. 25 closed-end mortgage loans that are not excluded from HMDA coverage under § 1003.3; or
   b. 500 open-end lines of credit that are not excluded from HMDA coverage under § 1003.3. (Effective January 1, 2020, the loan volume threshold for open-end lines of credit is reduced to 100.)

It is expected that CMG will continue to require HMDA reporting for the foreseeable future, so CMG will ensure compliance with all requirements of Regulation C.

Effective January 1, 2020, the HMDA Rule requires some financial institutions to report data on a quarterly basis as well as on an annual basis. It applies to a financial institution that reported at least 60,000 originated covered loans and applications (combined) for the preceding calendar year. Purchased covered loans are not counted when determining whether the quarterly reporting requirement applies. If quarterly reporting is required, the financial institution must report all data required to be recorded for the calendar quarter within 60 calendar days after the end of the calendar quarter. The quarterly reporting requirement does not apply, however, to the fourth quarter of the year. A financial institution subject to the quarterly reporting requirement reports its fourth quarter data as part of its annual submission. In its annual submission, a quarterly reporter will resubmit the data previously submitted for the first three calendar quarters of the year, including any corrections to the data, as well as its fourth quarter data. 12 CFR 1003.5(a)(ii).

CMG will begin evaluating in 2020 if it qualifies for the new quarterly reporting requirement for larger-volume reporters.

B. Covered Transactions
CMG must collect and report the data points described in Regulation C § 1003.4 and outlined in Section VI of this Policy for all covered transactions.

Covered transactions include all closed-end mortgage loans and open-end lines of credit, as those terms are defined in § 1003.2(d) and (o), that are not excluded under § 1003.3(c) (discussed below). Covered transactions include applications, which are oral or written requests for a covered loan that are made in accordance with CMG’s procedures for the type of credit requested. Requests for preapproval are reportable as applications, but requests for prequalification are not reportable.

CMG is not required to report, and therefore will not report, data for the following categories of transactions excluded from HMDA coverage under § 1003.3:

- Closed-end mortgage loans and open-end lines of credit that CMG purchased acting in a fiduciary capacity;
- Closed-end mortgage loans and open-end lines of credit secured by liens on unimproved land;
- Temporary financing;
- The purchase of an interest in a pool of closed-end mortgage loans or open-end lines of credit;
- The purchase solely of the right to service closed-end mortgage loans or open-end lines of credit;
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- The purchase of closed-end mortgage loans or open-end lines of credit as part of a merger or acquisition, or as part of the acquisition of all of the assets and liabilities of a branch office;
- A closed-end mortgage loan or open-end line of credit, or an application for either of these, for which the total dollar amount is less than $500;
- The purchase of a partial interest in a closed-end mortgage loan or open-end line of credit;
- Closed-end mortgage loans or open-end lines of credit used primarily for agricultural purposes;
- Closed-end mortgage loans or open-end lines of credit made primarily for a business or commercial purpose, unless the loan is a home improvement loan, a home purchase loan, or a refinancing.

Additionally, CMG is only required to report data for closed-end mortgage loans if it originated at least 25 such loans during each of the two preceding years, and is only required to report data for open-end lines of credit if it originated at least 500 such loans during each of the two preceding years. Accordingly, if CMG originated at least 500 open-end lines of credit in each of the two preceding years, it will only report data on open-end lines of credit for the current year and will not report data for closed-end mortgage loans. Similarly, if in the two preceding years CMG originated at least 25 closed-end mortgage loans but did not originate at least 500 open-end lines of credit, it will report data only for closed-end mortgage loans and not for open-end lines of credit in the current year. (Effective January 1, 2020, the loan volume threshold for open-end lines of credit is reduced to 100).

In 2016 and 2017, CMG has originated less than 500 open-end lines of credit (the All in One Loan), however CMG chooses to continue to report data for the open-end lines of credit to maintain consistency.

Collection and Recording Information

A. Collecting Information Generally - Reportable Data

CMG must collect data regarding applications for covered loans that it receives, covered loans that it originates, and covered loans that it purchases for each calendar year. The requirement to collect data applies to requests under a preapproval program only if the preapproval request is denied, is approved by CMG but not accepted by the applicant, or results in the origination of a home purchase loan.

CMG must collect and report the following data for each covered transaction, as applicable:

- **Universal Loan Identifier (ULI).** Unique ULI that may be used to identify and retrieve the covered loan or application file. CMG will assign each covered loan or application a unique ULI that satisfies the requirements under Regulation C § 1003.4(a)(1)(i). For purchased covered loans for which another financial institution has previously reported a ULI, CMG will use the previously reported ULI.
  - **Legal Entity Identifier (LEI):** CMG’s LEI (549300GKFPRWNS0GF29) will be incorporated as part of every ULI CMG assigns.
- **Application Date.** Either the date the application was received or the date shown on the application form. Report NA for purchased covered loans.
- **Loan Type.** Whether the covered loan is, or in the case of an application would have been, insured by the Federal Housing Administration (FHA), guaranteed by the Veterans Administration (VA), or guaranteed by the Rural Housing Service (RHS) or the Farm Service Agency (FSA).
- **Loan Purpose.** Whether the covered loan is, or the application is for, home purchase, home improvement, refinancing, cash-out refinancing, or “other” purpose.
- **Preapproval Request.** Whether the application or covered loan involved a request for a preapproval of a home purchase loan under a preapproval program. (Applies to Retail only.)
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- **Construction Method.** Whether the construction method for the dwelling related to the property reported for Property Address and Property Location is site-built or a manufactured home.
- **Occupancy Type.** Whether the property reported for Property Address and Property Location is or will be used by the applicant or borrower as a principal residence, as a second residence, or as an investment property.
- **Loan Amount.** The amount of the covered loan or the amount applied for, as applicable.
- **Action Taken.** CMG’s action taken on the file as one of the following: (1) Loan originated; (2) Application approved but not accepted; (3) Application denied; (4) Application withdrawn by applicant; (5) File closed for incompleteness; (6) Purchased loan; (7) Preapproval request denied; or (8) Preapproval request approved but not accepted.
- **Action Taken Date.** The date of the final action taken on the loan or application.
- **Property Address.** The street address, city and zip code of the property securing the covered loan or, in the case of an application, proposed to secure the covered loan.
- **Property Location.** If the property is located in an MSA or MD in which CMG has a home or branch office, CMG must report the location of the property by: (A) State; (B) County; and (C) Census tract if the property is located in a county with a population of more than 30,000 according to the most recent decennial census conducted by the U.S. Census Bureau.
- **Applicant Information** (Please also see Section B Collecting Applicant Information Regarding Ethnicity, Race, and Sex of this Policy below for additional information regarding collection of information regarding ethnicity, race, and sex).
  - **Ethnicity.** The ethnicity of the applicant and co-applicant, and whether the information was collected by visual observation or surname.
  - **Race.** The race of the applicant and co-applicant, and whether the information was collected by visual observation or surname.
  - **Sex.** The sex of the applicant and co-applicant, and whether the information was collected by visual observation or surname.
  - **Age.** The age of the applicant and co-applicant.
  - **Income.** The gross annual income relied on in making the credit decision or, if a credit decision was not made, the gross annual income relied on in processing the application. Report NA for covered loans or applications for which the credit decision did not consider or would not have considered income.
- **Type of Purchaser.** Applies to covered loans that CMG originates or purchases and then sells within the same calendar year. Identify as one of the following: (A) Fannie Mae; (B) Ginnie Mae; (C) Freddie Mac; (D) Farmer Mac; (E) Private securitization; (F) Commercial bank, savings bank, or savings association; (G) Credit union, mortgage company, or finance company; (H) Life insurance company; (I) Affiliate institution; or (J) other type of purchaser.
- **Rate Spread.** The difference between the covered loan’s annual percentage rate (APR) and the average prime offer rate (APOR) for a comparable transaction as of the date the interest rate is set. Applies to covered loans subject to Regulation Z, other than assumptions, purchased covered loans, and reverse mortgages.
- **HOEPA Status.** (1) Whether a covered loan is subject to the Home Ownership and Equity Protection Act of 1994 (HOEPA), as implemented in Regulation Z; and (2), if so, whether the covered loan is a high-cost mortgage under Regulation Z.
- **Lien Status.** The lien status (first or subordinate lien) of the property reported for Property Address and Property Location.
- **Credit Score.** The credit score or scores relied on in making the credit decision and the name and version of the scoring model used to generate each credit score. Report NA for purchased covered loans.
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- **Reason for Denial.** For a denied application (including denial of a covered preapproval request), the principal reason(s) CMG denied the application, up to four reasons. Reasons indicated must be consistent with the reasons identified on the Adverse Action Notice sent to the applicant.

- **Total Loan Costs or Total Points and Fees.** For covered loans subject to the Ability to Repay provisions of Regulation Z (12 CFR 1026.43(c)): (i) in cases where a Closing Disclosure (CD) is provided for the covered loan pursuant to Regulation Z, the amount of total loan costs as disclosed, pursuant to Regulation Z, on Line D of the Closing Cost Details page of the CD; or (ii) in cases where the covered loan is not subject to the CD requirements in Regulation Z, the total points and fees charged in connection with the covered loan, expressed in dollars and calculated pursuant to Regulation Z (12 CFR 1026.32(b)(1)).

- **Origination Charges.** For covered loans subject to the CD requirements in Regulation Z (12 CFR 1026.19(f)), the total of all itemized amounts that are designated borrower-paid at or before closing, as disclosed on Line A of the Closing Cost Details page of the CD.

- **Discount Points.** For covered loans subject to the CD requirements in Regulation Z (12 CFR 1026.19(f)), the points paid to the creditor to reduce the interest rate, expressed in dollars, as disclosed on Line A.01 of the Closing Cost Details page of the CD.

- **Lender Credits.** For covered loans subject to the CD requirements in Regulation Z (12 CFR 1026.19(f)), the amount of lender credits disclosed in the second row under Line J on the Closing Cost Details page of the CD.

- **Interest Rate.** The interest rate applicable to the approved application, or to the covered loan at closing or account opening.

- **Prepayment Penalty.** The term in months of any prepayment penalty, as defined in Regulation Z (12 CFR 1026.32(b)(6)(i) or (ii)). Applies to covered loans or applications subject to Regulation Z, other than reverse mortgages or purchased covered loans.

- **Debt-to-Income Ratio.** The ratio of the applicant’s or borrower’s total monthly debt to the total monthly income relied on in making the credit decision. Report NA for purchased covered loans.

- **Combined Loan-to-Value Ratio.** The ratio of the total amount of debt secured by the property to the value of the property relied on in making the credit decision. Report NA for purchased covered loans.

- **Loan Term.** The scheduled number of months after which the legal obligation will mature or terminate or would have matured or terminated.

- **Introductory Rate Period.** The number of months, or proposed number of months in the case of an application, until the first date the interest rate may change after closing or account opening.

- **Non-Amortizing Features.** Whether the contractual terms include or would have included any of the following:
  - A balloon payment as defined in Regulation Z (12 CFR 1026.18(s)(5)(i));
  - Interest-only payments as defined in Regulation Z (12 CFR 1026.18(s)(7)(iv));
  - A contractual term that would cause the covered loan to be a negative amortization loan as defined in Regulation Z (12 CFR 1026.18(s)(7)(v)); or
  - Any other contractual term that would allow for payments other than fully amortizing payments, as defined in Regulation Z (12 CFR 1026.43(b)(2)), during the loan term, other than the contractual terms described above.

- **Property Value.** The value of the property securing the covered loan or, in the case of an application, proposed to secure the covered loan relied on in making the credit decision.

- **Total Units.** The number of individual dwelling units related to the property securing the covered loan or, in the case of an application, proposed to secure the covered loan.

- **Application Channel.** (i) Whether the applicant or borrower submitted the application for the covered loan directly to CMG; and (ii) Whether the obligation arising from the covered loan was, or in the case of an application, would have been initially payable to CMG. Report as NA for purchased covered loans.
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- **Mortgage Loan Originator NMLS Identifier.** The unique identifier assigned by the Nationwide Mortgage Licensing System and Registry (NMLS) for the mortgage loan originator, as defined in Regulation G (12 CFR 1007.102), or Regulation H (12 CFR 1008.23), as applicable.
- **Automated Underwriting System.** The name of the automated underwriting system (AUS) used to evaluate the application and the result generated by that AUS. Report as NA for purchased covered loans.
- **Reverse Mortgage.** Whether the covered loan is, or the application is for, a reverse mortgage.
- **Open-End Line of Credit.** Whether the covered loan is, or the application is for, an open-end line of credit.
- **Business or Commercial Purpose.** Whether the covered loan is, or the application is for a covered loan that will be, made primarily for a business or commercial purpose.
- **Manufactured Home Secured Property Type.** If the dwelling related to the property reported for Property Address and Property Location is a manufactured home and not a multifamily dwelling, whether the covered loan is, or in the case of an application would have been, secured by a manufactured home and land, or by a manufactured home and not land. Report NA for covered loans and applications not secured by a manufactured home.
- **Manufactured Home Land Property Interest.** If the dwelling related to the property reported for Property Address and Property Location is a manufactured home and not a multifamily dwelling, whether the applicant or borrower owns or leases the land on which the manufactured home is or will be located using one of the following options: (1) Direct ownership; (2) Indirect ownership; (3) Paid leasehold; or (4) Unpaid leasehold. Report NA for covered loans and applications not secured by a manufactured home.
- **Multifamily Affordable Units.** If the property securing the covered loan or, in the case of an application, proposed to secure the covered loan includes a multifamily dwelling, the number of individual dwelling units related to the property that are income-restricted pursuant to Federal, State, or local affordable housing programs. Report NA for loans and applications not secured by a multifamily dwelling.

B. Collecting Applicant Information Regarding Ethnicity, Race, and Sex

[NOTE: The addition to the ethnicity, race and sex is effective on applications dated January 1, 2018 and after, so for applications dated in 2017, the loan officer is only required to collect the applicant’s ethnicity, race and sex in accordance with the Government Monitoring section of the 2005 version of the Uniform Residential Loan Application (URLA) rather than the new information outlined below even if final action is taken on the application on or after January 1, 2018.]

CMG must request information regarding the ethnicity, race, and sex of the primary applicant and first co-applicant listed on the collection form regardless of whether the application is taken in person, by mail or telephone, or on the Internet. The loan officer must ask the applicant and co-applicant for this information, but may not require the applicant or co-applicant to provide this information. The loan officer must also specifically note whether or not this information was collected on the basis of visual observation or surname.

CMG provides questions regarding the ethnicity, race, and sex of the applicant and co-applicant on its loan application form provided in person or on the Internet. For applications taken by telephone, the loan officer must orally inform the applicant of the information in the collection form. A co-applicant may provide an absent co-applicant’s ethnicity, race, and sex on behalf of the absent co-applicant.

When requesting ethnicity and race information, CMG must offer the applicant and co-applicant the option of selecting more than one ethnicity or race and must permit the applicant and co-applicant to self-identify using both aggregate categories and disaggregate subcategories, as follows:

- **Ethnicity.** There are two aggregate ethnicity categories:
  - Hispanic or Latino; and
  - Subcategories: The Hispanic or Latino ethnicity aggregate category has the following four ethnicity subcategories: Mexican; Puerto Rican; Cuban; and Other Hispanic or Latino. If an...
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applicant selects the Other Hispanic or Latino ethnicity subcategory, the applicant may also provide a particular Hispanic or Latino ethnicity not listed in the standard subcategories.

- Not Hispanic or Latino.
- Race. There are five aggregate race categories:
  - American Indian or Alaska Native;
    - If an applicant selects the American Indian or Alaska Native category, the applicant may also provide the American Indian or Alaska Native Enrolled or Principal Tribe(s).
  - Asian;
    - Subcategories: The Asian race aggregate category has the following seven subcategories: Asian Indian; Chinese, Filipino; Japanese; Korean; Vietnamese; and Other Asian. If an applicant selects the Other Asian race subcategory, the applicant may also provide a particular Other Asian race not listed in the standard subcategories.
  - Black or African American;
  - Native Hawaiian or Other Pacific Islander; and
    - Subcategories: The Native Hawaiian or Other Pacific Islander race aggregate category has the following four subcategories: Native Hawaiian; Guamanian or Chamorro; Samoan; and Other Pacific Islander. If an applicant selects the Other Pacific Islander race subcategory, the applicant may also provide a particular Other Pacific Islander race not listed in the standard subcategories.
  - White.

The loan officer must inform the applicant and co-applicant that federal law requires this information to be collected in order to protect consumers and to monitor compliance with federal statutes that prohibit discrimination against applicants on these bases. For applications taken in person, the loan officer must inform the applicant and co-applicant that if the information is not provided, the loan officer is required to note the data on the basis of visual observation or surname.

For an application taken in person, if the applicant or co-applicant chooses not to answer these questions, the loan officer must note this fact and then note the applicant’s ethnicity, race, and sex based on visual observation or surname. When collecting an applicant’s ethnicity, race, and sex on the basis of visual observation or surname, the loan officer selects from the following aggregate categories: ethnicity (Hispanic or Latino; Not Hispanic or Latino); race (American Indian or Alaska Native; Asian; Black or African American; Native Hawaiian or Other Pacific Islander; White); sex (male; female). The loan officer may not use the ethnicity or race subcategories when collecting such information on the basis of visual observation or surname.

If the applicant declines to answer these questions by checking the “I do not wish to provide this information” box on an application that is taken by mail or on the internet, or declines to provide this information by stating orally that he or she does not wish to provide this information on an application that is taken by telephone, the loan officer must note “Information not provided by applicant in mail, internet, or telephone application.” In such cases, the loan officer does not collect the applicant’s ethnicity, race, or sex on the basis of visual observation or surname.

However, if an applicant begins an application by mail, internet, or telephone, and does not provide the requested information on the application but does not check or select the “I do not wish to provide this information” box on the application, and the applicant later meets in person with the loan officer to complete the application, the loan officer must request the applicant’s ethnicity, race, and sex. If the applicant does not provide the requested information during the in-person meeting, the loan officer must note this fact and then note the information on the basis of visual observation or surname. If the meeting occurs after the application process is complete (e.g., at closing or account opening), the loan officer is not required to obtain the applicant’s ethnicity, race, and sex.

When an applicant provides the requested information for some but not all fields, CMG must report the information that was provided by the applicant, whether partial or complete. If an applicant provides partial or complete information on
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C. Recording Information
CMG will record all required data on its loan/application register within 45 calendar days after the end of each calendar quarter.

With the exception of Government Mandated Information required under Regulation C § 1003.4(a)(10) (“GMI”), CMG will begin collecting all of the required data points described in Regulation C § 1003.4 (and summarized above in Section VI.A of this Policy) beginning in 2017, though it will continue recording data pursuant to the pre-2015 HMDA Rule requirements through December 31, 2017. This additional data collection is to ensure that CMG is able to record and report all required information for all loans for which final action is taken on or after January 1, 2018. CMG will not begin collecting GMI until January 1, 2018.

CMG will create and adhere to a procedure to ensure that, prior to recording data in its loan/application register, the data collected are complete and accurate.

If, after it has recorded the required data in its loan/application register, CMG determines that some recorded data are inaccurate or incomplete, CMG will correct and/or complete the data prior to submitting the subsequent annual loan/application register and will ensure that the data in the annual loan/application register are complete and accurate. Following the discovery of inaccurate or incomplete data, CMG will investigate what caused the error to occur and will take steps to prevent a similar error in the future. CMG will document the steps that it took to discover the error, the cause of the error, and the actions taken to address the error, and will retain that record for at least three years.

Reporting Process and Disclosure Requirements

A. Reporting
CMG will report its HMDA data to the Consumer Financial Protection Bureau (CFPB) via its loan/application register annually by March 1st of each year. Beginning January 1, 2020, CMG will submit its loan/application registers electronically at the address provided by the CFPB. Each loan/application register will be submitted in accordance with the submissions instructions provided by the CFPB at www.consumerfinance.gov/hmda.

Along with each HMDA data submission, CMG will provide the following information:

- Company name;
- The calendar year the data submission covers;
  - And if subject to the quarterly reporting requirement beginning January 1, 2020, the calendar quarter the data submission covers;
- The name and contact information for the Senior Compliance Specialist who may be contacted with questions about CMG’s submission;
- The name of the appropriate Federal agency, the CFPB;
- The total number of entries contained in the submission;
- CMG’s Federal Taxpayer Identification number (68-0309242); and
- CMG’s Legal Entity Identifier (549300GKFNPRWNS0GF29).

Additionally, an authorized representative of CMG who has knowledge of the data will submit a certification with each submission confirming that the data is accurate and complete. The authorized representative will maintain a record of the
actions he or she took to ascertain that the data is complete and accurate, and CMG will retain that record for at least three years.

Effective January 1, 2020: Every year, CMG will assess whether it qualifies as a “larger volume institution” such that it must report its HMDA data quarterly. Larger-volume institutions are those covered institutions that, in the preceding year, reported at least 60,000 covered loans and applications, excluding covered loans that the institution purchased.

If CMG determines that it is a larger-volume institution based on its loan volume during the preceding year, CMG will submit its quarterly loan/application register to the CFPB pursuant to the instructions described above. CMG will complete each quarterly submission within 60 calendar days after the end of each quarter, excluding the fourth quarter when it will submit its annual LAR.

CMG will create and maintain a procedure to ensure that, prior to submitting each loan/application register, the data is accurate and complete and the submission complies with all applicable laws and regulations.

If, after it has submitted an annual (or beginning January 1, 2020, quarterly) loan/application register, CMG determines that some reported data are inaccurate or incomplete, CMG will correct and/or complete the data prior to submitting the subsequent loan/application register and will ensure that the data in the annual loan/application register is complete and accurate. Following the discovery of inaccurate or incomplete data, CMG will investigate what caused the error to occur and will take steps to prevent a similar error in the future. CMG will document the steps that it took to discover the error, the cause of the error, and the actions taken to address the error, and will retain that record for at least three years.

B. Disclosures

No later than three business days after receiving notice from the Federal Financial Institutions Examination Council (FFIEC) that CMG’s HMDA disclosure statement is available, CMG will make available to the public upon request, in its home office (3160 Crow Canyon Road, Suite 400, San Ramon, CA 94583) and in each of its branch offices physically located in an MSA or MD, a written notice stating that CMG’s HMDA disclosure statement and modified loan/application register may be found on the CFPB’s website.

The notice will read:

**Home Mortgage Disclosure Act Notice**

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau’s Web site (www.consumerfinance.gov/hmda). HMDA data for many other financial institutions are also available at this Web site.

As provided by Comments 5(b)(4) and 5(c)(3) to revised Regulation C, this notice will satisfy CMG’s obligation under Regulation C § 1003.5(b)(2) to make available a notice conveying that its disclosure statement is available online and its obligation under § 1003.5(c) to make available a notice conveying that its loan/application register is available in modified form online. This notice will be made available to the public upon request during CMG’s normal business hours and will be retained for at least five years.

In addition to the above notice, CMG will post a general notice about the availability of its HMDA data in the lobby of its home office (3160 Crow Canyon Road, Suite 400, San Ramon, CA 94583) and in each of its branch offices physically located in an MSA or MD. The notice will read:

**Home Mortgage Disclosure Act Notice**

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. HMDA data for many other financial institutions are also available...
This notice will be made available to the public upon request during CMG’s normal business hours and will be retained for at least five years. When a new branch office is opened, CMG will determine whether it is located in an MSA or MD and, if it is, CMG will ensure that both of the notices described above are posted and/or made available as required by Regulation C.

Training

The Risk and Training Departments will develop and implement, or arrange to be implemented, a training program regarding HMDA, Regulation C, and this Policy for all applicable employees, including any management with responsibilities for employees or third parties.

The Risk Department will also assess semiannually if any training program revisions or other actions are needed based on changes in laws, interpretations or other guidance or changes in policies or procedures of creditors, investors, and other relevant parties with which CMG does business.

Training for applicable employees must be conducted at the time of hire, as well as when changes are made to this Policy and as otherwise deemed appropriate by the Risk Department, such as in response to compliance issues that are detected. In addition, the Risk Department must provide “refresher” trainings annually.

Record Keeping Requirements

CMG will retain a copy of each loan/application register that it submits to any Federal agency for at least three years. CMG will retain a copy of the public notice of the disclosure statement availability for at least five years.

Revision and Review History

This Policy is effective as of January 1, 2018 and replaces any previous HMDA policy.

Additional Information

Related Documents:

- Underwriting Guidelines

External Resources:

- CFPB HMDA Site: https://www.consumerfinance.gov/data-research/hmda/
- CFPB HMDA Rule Implementation Site: https://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/hmda-implementation/