

■ 2. Section 110.27 is amended by adding new paragraph (e), to read as follows:

**§ 110.27 General license for imports.**

\* \* \* \* \*

(e) A general license is issued to any person to import the major components of a utilization facility as defined in § 110.2 for end-use at a utilization facility licensed by the Commission.

Dated at Rockville, Maryland, this 9th day of May, 2003.

For the Nuclear Regulatory Commission.

**William D. Travers,**

*Executive Director For Operations.*

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## FEDERAL RESERVE SYSTEM

### 12 CFR Part 203

[Regulation C; Docket No. R-1145]

#### Home Mortgage Disclosure

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rules; official staff commentary.

**SUMMARY:** The Board is publishing final amendments to the official staff commentary to Regulation C (Home Mortgage Disclosure). The amendments provide transition rules for applications received before January 1, 2004, on which final action is taken on or after January 1, 2004.

**DATES:** The amendments are effective June 27, 2003.

**FOR FURTHER INFORMATION CONTACT:** John C. Wood, Counsel, Kathleen C. Ryan, Senior Attorney, or Dan S. Sokolov, Attorney, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551, at (202) 452-3667 or (202) 452-2412. For users of Telecommunications Device for the Deaf (TDD) only, contact (202) 263-4869.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

The Home Mortgage Disclosure Act (HMDA; 12 U.S.C. 2801-10) 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 purpose is to help public officials target public investment to promote private investment where it is needed. A third purpose is to provide data that assist in identifying possible discriminatory

lending patterns and enforcing antidiscrimination statutes.

HMDA accordingly requires certain depository and for-profit nondepository lenders to collect, report, and disclose data about originations and purchases of home purchase loans, home improvement loans, and refinancings. Lenders must also report data about applications that did not result in originations.

The Board's Regulation C (12 CFR part 203) implements HMDA.

Regulation C generally requires that lenders report data about:

- *Each application or loan*, including the application date; the action taken and the date of that action; the loan amount; the loan type and purpose; and, if the loan is sold, the type of purchaser;
- *Each applicant or borrower*, including ethnicity, race, sex, and income; and
- *Each property*, including location and occupancy status.

Lenders report this information to their supervisory agencies on an application-by-application basis using a loan application register format (HMDA/LAR) set forth in appendix A to the regulation. Each application must be recorded within 30 calendar days after the end of each calendar quarter in which final action is taken (such as origination or purchase of a loan, or denial or withdrawal of an application) on the lender's HMDA/LAR. Lenders must make their HMDA/LARs—with certain fields redacted to preserve applicants' privacy—available to the public. The Federal Financial Institutions Examination Council (FFIEC), acting on behalf of the supervisory agencies, compiles the reported information and prepares an individual disclosure statement for each institution, aggregate reports for all covered lenders in each metropolitan area, and other reports. These disclosure statements and reports are available to the public.

##### II. Revisions to Regulation C

The Board published final revisions to Regulation C on February 15, 2002, and June 27, 2002 ("the 2002 revisions"). 67 FR 7222; 67 FR 43218. The 2002 revisions include, among other things, requirements that lenders report the difference between a loan's annual percentage rate (APR) and the yield on Treasury securities with comparable maturity periods, if the difference equals or exceeds thresholds set by the Board; whether a loan is subject to the Home Ownership and Equity Protection Act (HOEPA); the lien status of applications and loans; and whether an application or loan involves a

manufactured home. Certain definitions have also been revised. The definition of an application has been revised to include a request for preapproval as defined in the regulation, for purposes of reporting denials of such requests and identifying loan applications that result from a request for preapproval. The definition of a home improvement loan and the definition of a refinancing have been revised to provide more consistent and useful data. In addition, the 2002 revisions require lenders to request information on applicants' ethnicity, race, and sex in applications taken by telephone, and conform the collection of data on ethnicity and race to standards established by the Office of Management and Budget (OMB) in 1997.

The 2002 revisions were initially scheduled to take effect on January 1, 2003. In May 2002 the Board delayed the effective date, with two exceptions, to January 1, 2004. 67 FR 30771, May 8, 2002. The Board based its decision on a determination that some HMDA reporters, especially the largest ones, would not be able to fully implement the revised rule by January 1, 2003, without jeopardizing the quality and usefulness of the data and incurring substantial additional implementation costs that could be avoided by a postponement. The two exceptions related to telephone applications and to census tract data: (1) for all applications taken on or after January 1, 2003, lenders must ask telephone applicants for information on the applicant's race or national origin and sex; and (2) for all applications and loans reported on lenders' 2003 HMDA/LARs, lenders must use the census tract numbers and corresponding geographic areas from the 2000 Census.

##### III. Transition Rules

On March 7, 2003, the Board proposed for comment rules on how to report data for applications received before January 1, 2004, but for which final action is taken in 2004. The rules are set forth in a new comment added to section 203.4 of the Staff Commentary to Regulation C. The Board received approximately 40 comments on the proposed comment. Most industry commenters supported the proposal's flexibility in providing that lenders may, but need not, use revised definitions and identify applications relating to manufactured homes for applications received before January 1, 2004. Industry commenters expressed varying views on the conversion rules for reporting information on ethnicity, race, and sex, and the requirement to report the rate spread beginning January 1, 2004, as discussed below.