



With only a few months left before your March 1st filing deadline, now is a good time to plan the year-end HMDA scrub. A HMDA Scrub compares specific data in the loan application register (LAR) to loan origination systems (LOS) or physical loan documents. Here are a few reasons why you should always do a HMDA scrub:

Avoid Potential HMDA LAR Refiling. Depending on the depth and breadth of HMDA data problems discovered during regulatory exams, the results may call for a costly recompilation or file scrub of the entire HMDA LAR because the regulator lacks confidence the LAR can be relied upon for fair lending testing.

Verification of the Systems of Records. An institution's HMDA LAR should agree with its LOS data. A HMDA scrub can confirm this or identify weaknesses in either system.

Process Improvement. The HMDA scrub can help the institution identify and distinguish systemic, interpretational, or human errors and respond by improving the process.

Before submitting your HMDA data, a Bank can perform a comprehensive review to verify the accuracy of the data collected compared with the source documentation within the loan files to identify and correct any errors and increase the accuracy of the reported information.

The risk of HMDA noncompliance may be more significant for institutions with a high origination volume or a decentralized collection process. Reviews may uncover simple typographical errors or more significant procedural errors that could lead to systemic reporting violations, data scrubs, and resubmission. If the review identifies errors, the institution should correct the data prior to submission.

A thorough data verification process provides a much-needed last line of defense for HMDA reporters.

Let our compliance consultants provide a full or partial scrub of your HMDA LAR data to ensure information is recorded accurately. At the completion of our review, we provide a list of errors and discrepancies for you to validate and correct, as well as recommendations to assist in minimizing or eliminating exceptions in your HMDA reporting.

To schedule your HMDA LAR review, reach out to us via email at inquiries@completecompli.com or call us at (402) 939-6715.