



HMDA Hub

Q&A: Navigating HMDA Compliance

Q4 2025



Ask CrossCheck

If you are grappling with a HMDA compliance issue, we invite you to send your query via [Ask CrossCheck](#). Our team of HMDA compliance experts are ready to provide the guidance and support you need.

In the following sections, we delve into questions surrounding certain HMDA requirements. These insights aim to clarify ambiguities and support your adherence to regulatory standards.

It is important to maintain meticulous procedures and practices to ensure an accurate LAR filing for your institution. The accuracy of HMDA data remains paramount for conducting realistic fair lending analysis. Effective management of HMDA data demands careful record-keeping, continuous training and vigilant monitoring efforts.

Income and DTI reporting for W-2 and asset-based income

- ❓ If our underwriters considered both W-2 and asset-based income during the underwriting process, how do we report Income and Debt-to-Income Ratio?
- ✅ The Income reported should be gross income relied on for the credit decision, whether from wages, depletion of an asset, or a retirement account. Do not include **potential** income that may be derived from an asset (e.g., future rental income from a newly purchased investment property, anticipated profits from selling a house, capital appreciation). However, report the DTI used for the credit decision, even if that DTI calculation includes potential income that may be derived from an asset.

Sources: <https://www.consumerfinance.gov/rules-policy/regulations/1003/4/#a-10-iii>
<https://www.consumerfinance.gov/rules-policy/regulations/1003/4/#a-23>



Applications with outstanding closing conditions



We have an application that was conditionally approved by underwriting. The only outstanding conditions were homeowners insurance and a title for clear to close. The borrower notified the loan officer that he was not moving forward with the loan. Would this be decisioned as Approved, Approved but Not Accepted, or Withdrawn for HMDA purposes?



The loan should be reported as Approved but Not Accepted, Code 2 because the outstanding conditions were customary commitment, or closing conditions, and not creditworthiness. Further, for an institution to report an application as withdrawn, the applicant must expressly withdraw before the application was approved, denied, or closed for incompleteness, or before the applicant satisfies all specified underwriting or creditworthiness conditions if the application was conditionally approved.

The regulation defines customary commitment or closing conditions as: a clear-title requirement, an acceptable property survey, acceptable title insurance binder, clear termite inspection, a subordination agreement from another lienholder, and, where the applicant plans to use the proceeds from the sale of one home to purchase another, a settlement statement showing adequate proceeds from the sale.

Sources: <https://www.consumerfinance.gov/rules-policy/regulations/1003/interp-4/#4-a-8-i-Interp-3>
<https://www.consumerfinance.gov/rules-policy/regulations/1003/interp-4/#4-a-8-i-Interp-13-ii>
<https://www.consumerfinance.gov/rules-policy/regulations/1003/interp-4/#4-a-8-i-Interp-5>





Borrower-stated income that was not used in underwriting

- ❓ For denied applications where the borrower stated her income, but it was not verified or relied upon in underwriting, should Income be reported as “0” or as “Not Applicable (NA)” on our HMDA LAR?
- ✅ You should report Income as "Not Applicable (NA)" for this application. Covered loans or applications for which the credit decision did not consider, or would not have considered, income should be reported as "NA".

Source: <https://www.consumerfinance.gov/rules-policy/regulations/1003/interp-4/#4-a-10-iii-Interp-1>



Handling unresponsive preapproval requests

- ❓ A potential borrower contacted our loan officer and requested a preapproval to purchase a new home. However, he failed to provide the necessary tax documents to verify income. Our loan officer made repeated attempts to contact the applicant but was unable to connect. How should we disposition this loan on our LAR?
- ✅ This inquiry is not reportable. If a potential borrower withdraws the preapproval request or is unresponsive, it is not reportable for HMDA. The regulation specifically indicates that preapproval requests are only reported if a decision (approved or denied) was made, and therefore, any others are not reportable.

Sources: <https://www.ffiec.gov/sites/default/files/data/hmda/2024Guide.pdf>

Determining NMLSR ID when using a third-party broker



Our bank has a relationship with a broker who will be intaking applications and our institution will be responsible for underwriting and closing the loans. Which Loan Originator NMLSR ID should we report on our LAR, the ID for the broker's officer or our institution's lending officer?



A financial institution must report the NMLSR ID of the mortgage loan originator with primary responsibility for the transaction as of the action taken date. Therefore, the NMLSR ID of the primary loan originator at the underwriting institution should be reported, i.e., your bank's lending officer.

Sources: <https://www.consumerfinance.gov/rules-policy/regulations/1003/interp-4/#4-a-34-Interp-3>



Contact Us

CrossCheck Compliance is a nationwide regulatory compliance and risk management consulting firm focused on providing regulatory compliance, internal audit, fair lending, loan review, due diligence, and litigation support services for the financial services industry. The firm's professionals have deep regulatory understanding and operations experience to develop effective compliance strategies and deliver high impact outcomes for clients.



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