

Multiple Properties as Collateral – Reporting for HMDA

Properties to Consider for LAR Fields - Commentary to 1003.4(a)(31)

Multiple residential properties securing loan.

Comment 1003.4(a)(9)-2. Multiple properties with more than one property taken as security.

When more than one property is taken or, in the case of an application, proposed to be taken as security for a single covered loan

- ❖ **Address & Geocoding:** Choose one property for the address and geocoding fields on the HMDA LAR. Any property securing the loan will do. (**Banks:** choose a dwelling in your assessment area.
- ❖ **Use Property Chosen for HMDA LAR for These Fields:** Report on property chosen for address and geocoding (or, one you would have chosen if not required to report address or geocoding under an exemption):
 - Construction Method (1003.4(a)(5)
 - Occupancy (1003.4(a)(6)
 - Lien Status 1003.4(a)(14)
 - Manufactured home with or without land or Not Applicable 1003.4(a)(29), and
 - Manufactured home type of land ownership or Not Applicable 1003.4(a)(30)
- ❖ **Consider All Properties Securing LAR for All Other Fields,** particularly for these property related fields
 - 1003.4(a)(3) Loan purpose
 - 1003.4(a)(4) (4) Preapproval (was a preapproval requested for one of the collateral properties?)
 - 1003.4(a)(13) HOEPA status
 - 1003.4(a)(24) CLTV
 - 1003.4(a)(28) Property value
 - 1003.4(a)(31) Total dwelling units in properties securing the loan, including sites/pads in **manufactured home communities** – do not double count homes on pads (See Units chart)
 - 1003.4(a)(32) Affordable units from multifamily dwellings

CLTV and Property Value: Remember to include non-residential collateral (if any) relied upon for the credit approval if included in your CLTV calculation.

Abundance of Caution: When residential real estate is taken in an abundance of caution, those properties are included in total units, but those properties are not included in CLTV and Property Value. If an abundance of caution property was “relied upon” for the credit approval, it was not taken in an abundance of caution. Abundance of caution means the loan terms have not been made more favorable than they would have been in the absence of the lien or liens.