

Implementation Timeline Issued for Redesigned Uniform Residential Loan Application

October 26, 2017

The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (the “Agencies”) have issued an implementation timeline for the newly redesigned Uniform Residential Loan Application (“URLA”), and have designated a cutover date by which the use of the redesigned URLA will be required. The Agencies announced on September 26, 2017, that covered financial institutions may begin using the redesigned URLA starting on July 1, 2019, and that use of the redesigned URLA for all *new* loan applications will be required in February 2020.

To incorporate expanded data collected pursuant to requirements of the Home Mortgage Disclosure Act (“HMDA”) and Regulation C that generally take effect on January 1, 2018 (the “New HMDA Rule”), the Agencies issued a redesigned URLA on August 23, 2016. The CFPB published a notice approving the revised URLA on September 23, 2016 (our advisory discussing the CFPB’s approval of the redesigned URLA can be found [here](#)). The Agencies have now issued a timeline for using the new URLA.

Covered financial institutions have the option to collect applicants’ demographic information in accordance with the New HMDA Rule for applications received during 2017. Such institutions are required to follow the New HMDA Rule for applications received on or after January 1, 2018. Until the cutover date (February 2020), covered financial institutions can use the Demographic Information Addendum (the “Addendum”) issued and updated by the Agencies as a replacement for section X in the current URLA (dated July 2005). Use of the Addendum will be deemed compliance with the requirements of collecting demographic information under the New HMDA Rule. The Addendum is available [here](#).

In their recent announcement, the Agencies explained that covered financial institutions will be able to submit data using the redesigned URLA based on the new Desktop Underwriter specification - for testing purposes only – beginning in January 2019. Please note that actual submissions by covered financial institutions using the redesigned URLA and MISMO v3.4 Submission files in Desktop Underwriter and EarlyCheck cannot commence until July 1, 2019. Beginning in February 2020, the use of the redesigned URLA will be mandatory for all covered new loan applications.

Please also note that on October 20, 2017, the Federal Housing Finance Agency announced its decision to add a preferred language question to the redesigned URLA. This “Preferred Language Question” section provides the applicant with the option to choose the language in which the communications will be conducted if available. The

new question also advises the applicant that the loan transaction is likely to be conducted in English, that lenders are not bound to communicate or provide disclosures in the particular language chosen by the applicant, and that the applicant can contact a housing counseling agency for language assistance. The text of this new section of the URLA can be found [here](#).

The Agencies will publish an updated version of the redesigned URLA incorporating the preferred language question by the end of 2017.

If you have any questions regarding the redesigned URLA or HMDA in general, please feel free to contact Joseph D. Simon at 516-357-3710 or via email at jsimon@cullenanddykman.com, Kevin Patterson at 516-296-9196 or via email at kpatterson@cullenanddykman.com, or Mandy Xu at 516-357-3850 or via email at mxu@cullenanddykman.com.

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