PRESS RELEASE
Federal Deposit Insurance Corporation

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FDIC BEGINS FINING LENDERS FOR VIOLATIONS OF MORTGAGE DISCLOSURE LAW

FOR IMMEDIATE RELEASE

The FDIC announced today that it has started to impose fines against lending institutions for late or inaccurate submissions of data used by federal regulators to check for possible mortgage loan discrimination.

The agency has fined six lenders for late submissions of 1992 and 1993 data required by the Home Mortgage Disclosure Act (HMDA). The fines, which have been collected by the FDIC, range from $2,000 to $4,000. Other institutions may have fines imposed for late or inaccurate reports as the FDIC's review process continues.

FDIC Chairman Andrew C. Hove, Jr. said today: "The regulatory agencies and the public must be assured that the HMDA data being submitted by individual institutions are accurate and submitted on time."

Mr. Hove stressed that these six institutions are not being charged with lending discrimination. The problems cited are reporting violations tied to late filings with the agency. Even so, the FDIC considers these to be serious violations because the law requires reporting by March 1 and late filings delay public access to the data. Additional violations and penalties may result from a review of HMDA data and loan files during the examination process.

"These are the first but probably not the last or the largest penalties the FDIC will impose for HMDA violations," Chairman Hove said.

Certain institutions are required to submit annual HMDA reports of the race, gender, income and property location of their home loans and home loan applications. The reports are used by the federal financial regulatory agencies in on-site and off-site reviews of an institution's compliance with fair lending laws. Data for each institution and nationwide aggregate reports are made publicly available by the agencies.

Data regarding home purchases, home improvement and refinancing loans and applications are required by March 1 each year by lenders with assets of $10 million and an office in one of the 341 metropolitan statistical areas (MSAs) nationwide. HMDA data for 1992 have been publicly available since October 1993. The 1993 data reports are now being reviewed and corrected for public release later this year. The FDIC supervises more than 3,200 of the 9,649 lenders reporting 1993 data.

The following is a list of the six institutions and the fines they have paid to the FDIC:

Lender	Location	Penalty
Hull Co-operative Bank	Hull, MA	$ 4,000
GN Mortgage	West Hills, CA	3,000
Bank of Georgia	Watkinsville, GA	2,000
First State Bank	Covington, OK	2,000
First State Bank	Mesquite, TX	2,000
The Bank of South Carolina	Charleston, SC	2,000