



HMDA Race and Ethnicity Reporting – Appendix B - Revised as of August 24, 2017

APPENDIX B TO PART 1003— FORM AND INSTRUCTIONS FOR DATA COLLECTION ON ETHNICITY, RACE, AND SEX * * * * *	Comments/Highlights
<p>8. You must report the ethnicity, race, and sex of an applicant as provided by the applicant.</p> <p>For example, if an applicant selects the “Asian” box the institution reports “Asian” for the race of the applicant. Only an applicant may self-identify as being of a particular Hispanic or Latino subcategory (Mexican, Puerto Rican, Cuban, Other Hispanic or Latino) or of a particular Asian subcategory (Asian Indian, Chinese, Filipino, Japanese, Korean, Vietnamese, Other Asian) or of a particular Native Hawaiian or Other Pacific Islander subcategory (Native Hawaiian, Guamanian or Chamorro, Samoan, Other Pacific Islander) or of a particular American Indian or Alaska Native enrolled or principal tribe.</p> <p>An applicant may select an ethnicity or race subcategory even if the applicant does not select an aggregate ethnicity or aggregate race category. For example, if an applicant selects only the “Mexican” box, the institution reports “Mexican” for the ethnicity of the applicant but does not also report “Hispanic or Latino.”</p>	<p>Report what the applicant says.</p> <p>Only the applicant can utilize the subcategories – the Financial Institution never selects subcategories, even in a face to face application where the applicant declines to provide data. FIs use aggregate categories only.</p> <p>The Applicant can select an ethnicity or race subcategory even if they have not checked/selected an aggregate ethnicity or race. They can select “Mexican” without checking Hispanic or Latino.</p>



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9. * * * i. Ethnicity—Aggregate categories and subcategories. There are two aggregate ethnicity categories: Hispanic or Latino; and Not Hispanic or Latino.

The Hispanic or Latino category has four subcategories: Mexican; Puerto Rican; Cuban; and Other Hispanic or Latino.

You must report every aggregate ethnicity category selected by the applicant. If the applicant also selects one or more ethnicity subcategories, you must report each ethnicity subcategory selected by the applicant, except that **you must not report more than a total of five aggregate ethnicity categories and ethnicity subcategories combined.**

For example, if the applicant selects both aggregate ethnicity categories and also selects all four ethnicity subcategories, you must report Hispanic or Latino, Not Hispanic or Latino, and any three, at your option, of the four ethnicity subcategories selected by the applicant. To determine how to report the Other Hispanic or Latino ethnicity subcategory for purposes of the five-ethnicity maximum, see paragraph 9.ii below.

Report every aggregate ethnicity and subcategory selected by the applicant up to the maximum of 5. There are five fields on the LAR plus one text field for the applicant and the same for the co-applicant.

The applicant can select both Hispanic or Latino as well as Not Hispanic or Latino (mixed ethnicity) and any of the subcategories. If both major ethnicities are selected, you can report 3 subcategories, to make up the total of 5.



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ii. Ethnicity—Other subcategories. **An applicant may select the Other Hispanic or Latino ethnicity subcategory, an applicant may provide a particular Hispanic or Latino ethnicity not listed in the standard subcategories, or an applicant may do both.**

If the applicant provides only a particular Hispanic or Latino ethnicity in the space provided, **you are permitted, but are not required, to report Other Hispanic or Latino in addition to reporting the particular Hispanic or Latino ethnicity provided by the applicant. For example, if an applicant provides only “Dominican,” you should report “Dominican.” You are permitted, but not required, to report Other Hispanic or Latino as well.**

If an applicant selects the Other Hispanic or Latino ethnicity subcategory and also provides a particular Hispanic or Latino ethnicity not listed in the standard subcategories, you must report both the selection of Other Hispanic or Latino and the additional information provided by the applicant, subject to the five-ethnicity maximum.

For purposes of the maximum of five reportable ethnicity categories and ethnicity subcategories combined, as set forth in paragraph 9.i, the Other Hispanic or Latino subcategory and additional information provided by the applicant together constitute only one selection.

For example, if the applicant selects Other Hispanic or Latino and enters “Dominican” in the space provided, Other Hispanic or Latino and “Dominican” are considered one selection. Similarly, if the applicant only enters “Dominican” in the space provided and you report both “Dominican” and Other Hispanic or Latino as permitted by this paragraph 9.ii, the reported items together are considered one selection.

Selecting the “Other” Hispanic or Latino subcategory.

If the applicant enters an ethnicity in the text field but does not select the “Other” box, the FI is allowed – but is not required to – check the “Other Hispanic or Latino” box.

If the applicant does select “Other” and enters an ethnicity that is not listed on the form, you MUST report Other plus the write-in ethnicity.

All reporting is subject to the maximum of five ethnicities.

The “Other” choice and the text write in field count as one for the total of five.



iii. Race—Aggregate categories and subcategories.

There are five aggregate race categories: American Indian or Alaska Native; Asian; Black or African American; Native Hawaiian or Other Pacific Islander; and White.

The Asian and the Native Hawaiian or Other Pacific Islander aggregate categories have seven and four subcategories, respectively. The Asian race subcategories are: Asian Indian; Chinese; Filipino; Japanese; Korean; Vietnamese; and Other Asian. The Native Hawaiian or Other Pacific Islander race subcategories are: Native Hawaiian; Guamanian or Chamorro; Samoan; and Other Pacific Islander.

You must report every aggregate race category selected by the applicant.

If the applicant also selects one or more race subcategories, you must report each race subcategory selected by the applicant, except that you must not report more than a total of five aggregate race categories and race subcategories combined. For example, if the applicant selects all five aggregate race categories and also selects some race subcategories, you report only the five aggregate race categories.

On the other hand, if the applicant selects the White, Asian, and Native Hawaiian or Other Pacific Islander aggregate race categories, and the applicant also selects the Korean, Vietnamese, and Samoan race subcategories, you must report White, Asian, Native Hawaiian or Other Pacific Islander, and any two, at your option, of the three race subcategories selected by the applicant. In this example, you must report White, Asian, and Native Hawaiian or Other Pacific Islander, and in addition you must report (at your option) either Korean and Vietnamese, Korean and Samoan, or Vietnamese and Samoan. To determine how to report an Other race subcategory and the “Dominican” in the space provided and you report both “Dominican” and Other Hispanic or Latino as permitted by this paragraph 9.ii, the reported items together are considered one selection.

Report every aggregate category selected by the applicant before reporting any subcategories. After reporting aggregate categories, report subcategories until you reach 5.

The FI must report every aggregate category selected by the applicant on the LAR. If they select all five, report all five. There is a maximum of five, so in this instance, there will be no room for a subcategory.

If the applicant selects 3 aggregate race categories plus 3 race subcategories, report the 3 major race categories and 2 of the 3 subcategories. Your choice which 3 – 1 would go in order of appearance. Other plus the text field count as 1.



iv. Race—Other subcategories. An applicant may select the Other Asian race subcategory or the Other Pacific Islander race subcategory, an applicant may provide a particular Asian race or Pacific Islander race not listed in the standard subcategories, or an applicant may do both.

If the applicant provides only a particular Asian race or Pacific Islander race in the space provided, you are permitted, but are not required, to report Other Asian or Other Pacific Islander, as applicable, in addition to reporting the particular Asian race or Pacific Islander race provided by the applicant.

For example, if an applicant provides only “Hmong,” you should report “Hmong.” You are permitted, but not required, to report Other Asian as well.

If an applicant selects the Other Asian race or the Other Pacific Islander race subcategory and provides a particular Asian race or Pacific Islander race not listed in the standard subcategories, you must report both the selection of Other Asian or Other Pacific Islander, as applicable, and the additional information provided by the applicant, subject to the five-race maximum.

For purposes of the maximum of five reportable race categories and race subcategories combined, as set forth in paragraph 9.iii, the Other race subcategory and additional information provided by the applicant together constitute only one selection. Thus, using the same facts in the example offered in paragraph 9.iii above, if the applicant also selects Other Asian and enters “Thai” in the space provided, Other Asian and Thai are considered one selection. Similarly, if the applicant enters only “Thai” in the space provided and you report both “Thai” and Other Asian as permitted by this paragraph 9.iv, the reported items together are considered one selection. In the same example, you must report any two (at your option) of the four race subcategories selected by the applicant, Korean, Vietnamese, Other Asian-Thai, and Samoan, in addition to the three aggregate race categories selected by the applicant.

An applicant can select the “Other” box plus a subcategory and add a write in subcategory, or simply write in a race, or do both.

If the applicant only writes in a subcategory for the “Other” field without checking “Other”, the FI may but is not required to check “Other” along with reporting the information in the text field (assuming the total of five has not been reached previously).

If the applicant checks “Other” and adds a write in race subcategory, the FI must report “Other” plus the added race subcategory.

Other and the write in field are counted as one.



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v. Race—American Indian or Alaska Native category.

An applicant may select the American Indian or Alaska Native race category, an applicant may provide a particular American Indian or Alaska Native enrolled or principal tribe, or an applicant may do both.

If the applicant provides only a particular American Indian or Alaska Native enrolled or principal tribe in the space provided, you are permitted, but are not required, to report American Indian or Alaska Native in addition to reporting the particular American Indian or Alaska Native enrolled or principal tribe provided by the applicant. For example, if an applicant provides only “Navajo,” you should report “Navajo.” You are permitted, but not required, to report American Indian or Alaska Native as well.

If an applicant selects the American Indian or Alaska Native race category and also provides a particular American Indian or Alaska Native enrolled or principal tribe, you must report both the selection of American Indian or Alaska Native and the additional information provided by the applicant.

For purposes of the maximum of five reportable race categories and race subcategories combined, as set forth in paragraph 9.iii, the American Indian or Alaska Native category and additional information provided by the applicant together constitute only one selection.

The applicant reporting American Indian or Alaska Native can:

- Check the American Indian or Alaska Native category and not report an enrolled or principal tribe;
- Check the “American Indian or Alaska Native category and write in an enrolled or principal tribe; or
- Only write in an enrolled or principal tribe without selecting American Indian or Alaska Native

If only an enrolled or principal tribe is written in the FI can also check American Indian or Alaska Native, but is not required to do so.

If American Indian or Alaska Native is checked and an enrolled or principal tribe is entered, the FI must report both.

The category American Indian or Alaska Native and the written in enrolled or principal tribe count as one for purposes of the limit of 5 races.



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Do not report an aggregate race or ethnicity category if applicant only selects subcategory. The permission to select Other does not carry over to aggregate categories.

While a financial institution may select Other when an applicant writes in a race or ethnicity, a financial institution MAY NOT select an aggregate category when an applicant only selects on of the subcategory choices.

The CFPB made the following comment in the preamble section to this revision, which does reference rolling up for analysis purposes.

“The Bureau also declines to adopt the alternative proposed by an industry commenter to require a financial institution to report the corresponding aggregate category if an applicant selects only a subcategory. While the Bureau understands that such a requirement may reflect some institutions’ systems, it may not reflect all financial institutions’ practices. The Bureau declines as part of this rulemaking to impose an additional requirement on financial institutions to report the aggregate category if a subcategory is selected. Moreover, as discussed above, the Bureau believes that some applicants may self-identify as a subcategory but not the corresponding aggregate category, thus reporting only what the applicant selects would better reflect applicant identity and may increase the response rate. **The Bureau also does not believe that such an alternative is necessary for data analysis, as users may roll up the subcategories into their corresponding categories when analyzing the data, irrespective of how the data are reported.**”

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