

3 Ways to Reduce Stress This HMDA Reporting Season

A Survival Guide for the Year Ahead

The Reality for Compliance Leaders

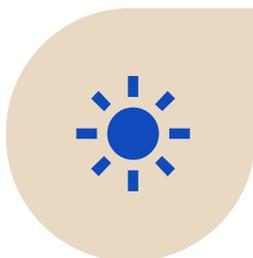
HMDA reporting season is here. Between now and March 1st, financial institutions must submit detailed data from the previous calendar year's mortgage applications and loans to their regulators.

HMDA reporting season has become less about "checking the box" and more about defending data under scrutiny. Manual review, scattered systems, and last-minute validation create undue stress, risk, and burnout.

Beyond stocking your pantry with ample supplies of coffee and energy drinks, here are three practical tips for surviving this year's HMDA reporting season.

1. Prioritize High-Risk Fields First

Focus validation and review efforts on high-risk fields early to reduce late-cycle panic and rework. HMDA errors love to hide in property location, census tract, and other geographic fields. Automation can help by auto-validating property location inputs through address normalization, demographic data, credit scoring, and consistency checks. By flagging missing or suspicious values at loan origination instead of year-end, automation can minimize rework and reduce risk when it matters most.



COMPLIANCE SPOTLIGHT

For 2024, the Federal Reserve explicitly identified misreported census tract as a top-cited HMDA violation.

2. Reduce Manual Reviews with Automated Exception-Based Workflows

The time has come to shift from full-file checking to exception-based reviews that flag only missing or inconsistent data. To ensure data integrity, every exception report should include the issue type, root cause, owner of the fix, relevant evidence, and a close-out confirmation. This reduces the risk of “silent fixes” that don’t hold up to scrutiny down the road. Automated exception-based workflows also enable compliance professionals to initiate compliance reviews more frequently—on a daily or weekly basis—helping you avoid the end-of-month audit crunch.

For example, **First National Bank Texas** eliminated manual verification of HMDA-required fields, reducing HMDA processing time-on-task by 80% and saving over \$160K annually in overhead costs.



“Continuous gave us inherent control and consistency in how we validate data, which is exactly what regulators want to see.”

Sandy Knight, Chief Compliance Officer, First National Bank Texas

3. Create a Single Source of Truth Before Submission

Another key way to ensure data integrity? Lock down one authoritative dataset for validation, internal reviews, and final submission. For each LAR field, define a system of record, owner, and acceptable values. Then use automation to prevent overrides unless an exception reason and evidence are provided.

Why this matters: The Fed has found that top HMDA violations are often [misreported required fields](#).

For example, Glacier Bank leveraged automation to increase HMDA reporting accuracy and reduce the risk of human errors, while saving over \$334K in overhead costs annually.



“We used to spend hours constantly going back and forth with the front office to scrub HMDA data manually. Now, it’s streamlined, which allows us to focus on business growth.”

Ryan Screnar, Chief Compliance Officer, Glacier Bank

How to Have Cleaner HMDA Data in 2026

1. Identify Root Causes, Not Just Errors:

Document why issues occurred, not just what was wrong.

2. Move Quality Checks Upstream:

Apply validations at data capture and during loan life, not just year-end.

3. Automate Where Risk Is Highest:

Automate high-impact areas like required field checks, consistency checks, and documentation.

To learn more about how [compliance leaders find calm in the chaos of HMDA season with Continuous](#), schedule time to chat with an automation expert here:

<https://continuous.com/contact-us>