[Your Institution Name]
[Compliance Department]
[Street Address]
[City, State, Zip Code]

[Date]

[Name of Regulatory Agency]
[Attention: Department of Supervision/HMDA Operations]
[Street Address]
[City, State, Zip Code]

RE: Response to Inquiry Regarding [Year] HMDA Data Anomalies - [Institution ID/LEI Number]

Dear [Name of Examiner or Regional Director],

This letter is in response to your inquiry dated [Date of Inquiry Letter] regarding certain anomalies or outliers identified in our Home Mortgage Disclosure Act (HMDA) data for the [Year] reporting period.

We have completed a comprehensive internal review of the data points flagged, specifically relating to [mention specific fields, e.g., Debt-to-Income ratios, Loan-to-Value ratios, or Action Taken codes]. Our findings are as follows:

1. Identification of Cause:
[State whether the anomaly was a data entry error, a software mapping issue, or a legitimate reflection of a specific lending program or market condition.]

2. Justification/Correction:
[If the data is accurate: Explain the business context that led to the outlier.]
[If the data is inaccurate: Detail the specific corrections made to the Loan Application Register (LAR) and confirm if a resubmission has been initiated.]

3. Remediation and Future Prevention:
[Name of Institution] is committed to data integrity. To prevent recurrence, we have implemented the following:

- Enhanced automated validation rules within our Loan Origination System (LOS).
- Conducted supplemental training for loan officers and data entry staff.
- Increased the frequency of our internal quality control audits.

We have attached [List Supporting Documentation, e.g., Audit Logs or Revised LAR Summaries] for your review. Please contact me directly at [Phone Number] or [Email Address] should you require further clarification or additional documentation.

Sincerely,

[Signature]

[Full Name]
[Title, e.g., Chief Compliance Officer]
[Your Institution Name]