
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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FHFA and CFPB Partner on Development of National Mortgage Database Initiative will help streamline disparate datasets and support regulators' efforts to monitor the market

WASHINGTON, D.C. – The Federal Housing Finance Agency (FHFA) and Consumer Financial Protection Bureau (CFPB) have agreed to partner on the creation of a National Mortgage Database—the first comprehensive repository of detailed mortgage loan information. The database will primarily be used to support the agencies' policymaking and research efforts and to help regulators better understand emerging mortgage and housing market trends.

“This partnership between FHFA and CFPB will create a unique resource that benefits the government and public as we seek to answer important questions about how the housing finance market is evolving and changing,” said FHFA Acting Director Edward J. DeMarco. “This collaborative effort is a great way to pool expertise and leverage resources for the benefit of regulators and the public.”

“In order to understand what is going on in the mortgage marketplace and develop appropriate consumer protections, we must have the best facts and data,” said CFPB Director Richard Cordray. “This database will be a valuable tool for regulators and researchers and we look forward to partnering with FHFA on this important work.”

The National Mortgage Database will include information spanning the life of a mortgage loan from origination through servicing and include a variety of borrower characteristics. Specifically, the database will include loan-level data about the mortgage including: the borrower's financial and credit profile; the mortgage product and terms; the property purchased or refinanced; and the ongoing payment history of the loan. Data will be updated on a monthly basis and track as far back as 1998. Additionally, this database fulfills an FHFA requirement under the Housing and Economic Recovery Act of 2008 (HERA) to conduct a monthly mortgage market survey.

The agencies will build the database by matching a nationwide sampling of credit bureau files on borrower's mortgages and payment histories with informational files such as the Home Mortgage Disclosure Act (HMDA) database, property valuation models, and other data files to create a comprehensive picture for each mortgage.

The database will not contain personally identifiable information and appropriate precautions will be taken by the agencies to ensure that individual consumers cannot be identified through the database or through any datasets that may be made available to researchers or the public.

Although the mortgage market is the single largest market for consumer finance, there is a lack of comprehensive data available on a complete, national scale. Multiple federal and state agencies as well as private vendors collect and maintain information, but there is no single database that contains all information in one place. The creation of the National Mortgage Database will be the first step in a broader strategy to help streamline data for research and policy analysis and to ensure accurate, comprehensive information is more easily accessible for monitoring the market.

Examples of how the National Mortgage Database can support the agencies' work include:

- **Monitor the relative health of mortgage markets and consumers.** The database will provide detailed mortgage loan performance information including whether payments are made on-time, as well as information regarding loan modifications, foreclosures, and bankruptcies. This will help policy makers better understand how various products are being used and how they are performing.
- **Provide new insight on consumer decision making.** Agencies will be able to use the database to conduct surveys to better understand consumer decision making and experiences across a range of topics such as mortgage shopping or distressed homeownership.
- **Monitor new and emerging products in the mortgage market.** The database will allow the agencies to monitor volume and performance of products in the mortgage market and help regulators to identify potential problems or new risks.
- **View both first and second lien mortgages for a given borrower.** Policy makers increasingly need visibility into how many mortgages consumers may have and how they're performing. The National Mortgage Database will be the first comprehensive database to permit such analysis.
- **Understand the impact of consumers' debt burden.** The database will also include information about a borrower's other debt obligations, such as auto loans or student loans. This will permit policy makers to better understand emerging borrowing trends and overall consumer debt burden.

Construction of the National Mortgage Database will be a complex undertaking. The agencies have signed an Inter-Agency Agreement (IAA) establishing terms for developing, maintaining and funding the database. Development of the dataset is currently underway and the agencies expect early versions of the full dataset to be complete in 2013. FHFA and the CFPB are committed to exploring ways to share database information with other federal agencies, academics, and the public once the database is complete.

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.