



Federal Housing Finance Agency

1700 G Street, NW
Washington, DC 20552
Phone: 202-414-3800
Fax: 202-414-3823



October 8, 2008

Herbert M. Allison, Jr.
Chief Executive Officer
Federal National Mortgage Association
3900 Wisconsin Avenue, NW
Washington, DC 20016

Dear Mr. Allison:

With the enactment of Title V, the S.A.F.E. Mortgage Licensing Act of 2008, the Nationwide Mortgage Licensing System and Registry will be operational no later than July 30, 2009 – one year from the date of enactment of this title. As a result, loan originators must be registered and obtain a unique identifier.

Since 1999, requiring loan origination identifiers on each mortgage application has been an outstanding FHFA recommendation. Both Enterprises agreed with this long-standing recommendation. Implementing a solution required joint efforts and cooperation among many industry participants. Both Enterprises put forth a good faith effort. They worked with and through other industry participants to implement a solution, and provided seed money to an MBA/NAMB Task Force on the issue. However, no significant progress was made – in large part due to the absence of a national registry responsible for assignment of unique identifiers to loan originators and loan origination companies.

Enactment of Title V has resolved the underlying issue. Therefore, effective with all new applications taken on and after January 1, 2010, the following four unique identifiers are required for each new mortgage. They are to be included as mandatory data elements at loan delivery:

1. The loan originator's unique identifier as assigned by the Nationwide Mortgage Licensing System and Registry. The loan originator is the individual who takes and signs the residential mortgage application form.
2. The loan origination company's unique identifier as assigned by the Nationwide Mortgage Licensing System and Registry. The loan origination company is the company the loan originator is employed by or is representing as an independent contractor.
3. The field appraiser's state license number (or state certification number in the absence of a license number) issued by the state in which the subject property is located. The field appraiser's state license number is required on the Uniform Residential Appraisal Report or required appraisal form.

4. If the field appraiser is either a sub-contractor or an employee of the supervisory appraiser or appraisal firm and the field appraiser's work was directly supervised, the supervisory appraiser's state license number (or state certification number in the absence of a license number) issued by the state in which the subject property is located. The supervisory appraiser's state license number is required on the Uniform Residential Appraisal Report or required appraisal form.

FHFA is also requesting appraiser-related identifiers for two reasons. First, Enterprise mortgage fraud referral forms submitted to FHFA indicate a large percent of perpetrators are loan originators or appraisers. Second, given systems changes required to implement collection of loan originator and origination company identifiers, simultaneously implementing collection of appraiser identifiers would be reasonable and practical.

As you know, FHFA seeks to ensure the Enterprises take actions to address underlying factors that contributed to the current mortgage crisis. Requiring the Enterprises to take these actions is consistent with our objectives to: provide increased accountability and tracking of loan originators and key parties in the mortgage transaction; enhance consumer protections; support anti-fraud measures; require parties to the mortgage transaction to act in the best interests of the consumer; and facilitate responsible lending in the mortgage market place.

Please address questions regarding this letter to Christine Eldarrat, my Senior Advisor. Within 30 days of the issuance of this letter, please provide a written plan detailing how complying with this letter will be accomplished within the required timeframe.

Sincerely,



Christopher H. Dickerson
Acting Deputy Director
Division of Enterprise Regulation