Securing the free and fair flow of data

Velocity

A TechSprint from the **Federal Housing Finance Agency**

2023 Velocity TechSprint Intro

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INTRODUCTION

Insights from FHFA Director Sandra L. Thompson

"Over the past decade, mortgage origination costs have doubled, while delivery times have remained largely unchanged."

"When used responsibly, technology has the potential to improve borrowers' experiences by reducing barriers, increasing efficiencies, and lowering costs."

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Velocity TechSprint Objectives

Explore how technology can make the mortgage process more open, transparent, inclusive and cost effective

Use the TechSprint as an innovation tool for
1) building an inclusive and efficient mortgage ecosystem
2) identifying the persistent challenges in the current mortgage process, and
3) accelerating the development of new solutions

Foster internal and external cooperation to advance the development of new and adoption of existing solutions

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WHAT IS A TECHSPRINT?

TechSprints are events where developers and subject matter experts (SMEs) collaborate intensively for a short period of time to address specific problems in real time.

When disparate members of the financial ecosystem come together, they can solve intractable problems that no single stakeholder can solve on their own.

TechSprints:

- Foster Collaboration

- Build understanding of technological challenges in a specified policy area

- Increase shared understanding of emerging technologies

THE SPIRIT OF A TECHSPRINT

TechSprints are creative ideation events, and participants are collaborative co-inventors. The most interesting ideas result from strong collaboration among participants from different organizations and disciplines.

Participants approach a TechSprint with an open mind and willingness to share.

Key Elements

Mission	We have a common mission to use technology for good
Collaboration	Share openly with your team and across teams
Diversity	Leverage an array of skills, experience and perspective

IN-PERSON TECHSPRINT AT A GLANCE

Over the course of the Sprint, participants get to know each other, select a problem statement from the options provided, ideate on solutions, and prepare a presentation to share with the judges on Demo Day.

Opening ───────────────────────────► **Demo Day**

Welcome

Introduction and Kick-off

Opening

Solution Building

Demo Day with Keynote Speakers

Concurrent Virtual Observer Track Featuring Relevant Learning Sessions

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KEY DETAILS

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Virtual Boot Camp

June 28
All participants must attend

Purpose

Opportunity to learn about the problem statements, data, platforms and logistics

Objectives

- Review key dates and times
- Review platform and data available
- Learn the background on the challenge of the mortgage process
- Explore the TechSprint problem statement, Use Cases and Personas
- Identify key resources needed on each team
- Answer questions

Agenda

Introduction

Background
- Challenge
- Research

Problem Statements, Use cases, and Personas

Data and Platforms

TechSprint Logistics

Ground Rules

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Live Streamed Demo Day

July 13th
All participants must attend

Agenda

- Opening Remarks
- Keynote Panel
- Participant Demos
- Judges Deliberation
- Fireside Chat
- Polling from the Audience (People's Choice)
- Winners Announcements/Closing

Awards

Fast Award – Quickest to market

Eureka Award – Most exciting/surprising due to creativity

Jump Award – Most potentially impactful/transformational

Audience Favorite – Receiving most votes from audience, both in-person and virtual

Umbrella Problem Statement:

How might data digitization drive transparency and increase access, fairness, affordability, and sustainability in mortgage lending? Adoption of data digitization can be a significant unlock for the mortgage ecosystem. This can be especially beneficial in the current economic environment where profit margins are compressed while regulatory requirements remain a top priority. The adoption of data digitization can serve as a competitive advantage for participants in the mortgage ecosystem as market conditions evolve.

How might borrowers, lenders, loan aggregators, and infrastructure providers be better equipped and motivated to leverage data-driven digital approaches in front end-mortgage processes?
- To improve borrower experience and transparency?
- To drive simplification?
- To improve cycle times?
- To improve equitable access, fairness, affordability, and sustainability?
- To better manage risk?
- What are the tradeoffs or unanticipated consequences (if any) across these sets of goals?

How might regulators consider current barriers to greater adoption of financial technology in mortgage processes, responsible alternatives, system impacts, and options for streamlining requirements?

Any technologies adopted should reduce cycle times, lower the cost to originate, allow savings to be passed to the consumer, open opportunities to underserved borrowers, or increase ease and transparency to borrowers. Additionally, these same technologies should seek to mitigate risks, such as data security and privacy risks that may arise, while also including viable strategies to engage borrowers, drive adoption, and build trust into a more digital mortgage process.

Focused Problem Statements:

1. **Direct-to-Source Data:** How might we leverage and enhance the process of data verification during the loan origination process to reduce loan origination costs, improve cycle times, and streamline quality control processes, while maintaining safe and sound practices?

2. **Data Quality:** How might technology support the verification, standardization, and validation of data from varied traditional sources during the loan origination process in order to reduce loan origination costs and improve cycle time, while maintaining safe and sound practices?

3. **Adoption and Implementation:** What other ways, other than what we do today, can we increase the adoption of digitized mortgage processes in loan origination so that both lenders and borrowers can achieve optimized mortgage cycle times and reduced loan origination costs and risks?

4. **Alternative Data:** How might we better identify sources of alternative data that can be used in mortgage lending processes and facilitate the availability, accessibility, collection, certification, and usage of that data for loan origination and underwriting purposes, so that mortgage access can be expanded, costs can be reduced, and cycle times can be improved, while maintaining safe and sound practices?

5. **Digital Experience and Trust:** How might we enhance the use of technology and data in the digital mortgage experience, so that borrowers have greater access to, are better prepared for, and have greater confidence in the use of technology in the mortgage process and so that lenders and other industry participants are trained in a more digitized mortgage process?
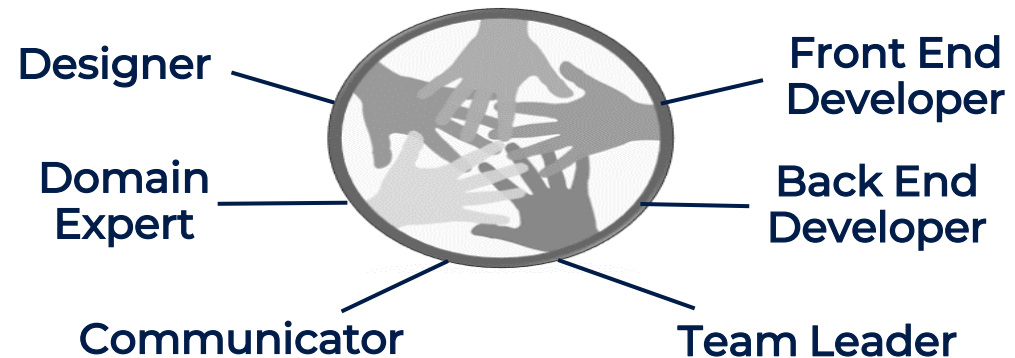
TECHSPRINT PARTICPANTS

Stakeholders

- Regulatory Agencies
- Fintechs
- Banks
- Policy Makers
- Consumer Advocates
- Nonprofits
- Attorneys
- Consultants
- Academics
- Tech Firms
- Associations

Team

Designer

Domain Expert

Communicator

Front End Developer

Back End Developer

Team Leader

TECHSPRINT ROLES

Each team will be made up of, but not restricted to, the roles below. An individual on a team could play many or just one role -- innovative collaboration & flexibility are key. We are happy to discuss variations that may align with your interests.

Team Roles

Designer – Individuals who have a background in design of products and services, including UI/UX, with a focus on the user's level of satisfaction.

Front End Developer – Individuals who have a background in website or mobile app development and interaction.

Back End Developer – Individuals who build and maintain the mechanisms that process data and perform actions on websites.

Domain Expert – Individuals who have in-depth knowledge about products, services, laws, and policies related to mortgage finance and/or financial technology.

Communicator – Individuals who work in storytelling, sales, and marketing. Experience with presenting and pitching ideas is helpful.

Team Leader – In addition to a team role, individuals are responsible for managing the team, timeline, and deliverables, and acting as point person for organizers.

HIGHLIGHTS FROM THE TECHSPRINT RULES

TechSprint Rules Highlights

- ❑ Eligibility to Participate

  - ❑ Individuals must meet the eligibility criteria below to apply for participation in the TechSprint:

    - ❑ Individuals must be at least 18 years old on the date of TechSprint application.

    - ❑ Individuals must submit a complete application form, including acknowledgement of the Rules.

    - ❑ There may be only one application per eligible individual.

    - ❑ Federal grantees may not use federal funds to develop TechSprint solutions unless consistent with the purpose of their grant award.

    - ❑ Individuals may not be employees or active contractors of FHFA.

    - ❑ Individuals may not be employees or active contractors of Fannie Mae, Freddie Mac, Common Securitization Solutions, any Federal Home Loan Bank, or the Office of Finance.

  - ❑ The link to the full rules can be found here.

TechSprint Rules Highlights

❑ Selection Criteria for Participation

    ❑ Application does not guarantee participation. An applicant that is selected to participate in the TechSprint is referred to as a Participant herein. Applicants selected to participate in the TechSprint will be notified. Applicants who are not selected also will be notified. Notwithstanding the eligibility and selection criteria, FHFA reserves the right to limit the number of Participants in the TechSprint due to capacity and the placement of Participants on a TechSprint team, including by applying the selection criteria below. No more than two individuals from any legal entity will be placed on the same team.

    ❑ The criteria that will be used to select Participants include:

        ❑ Experience in a field related to the mortgage processes subject to the problem statements of the TechSprint;

        ❑ Experience that supports the objective of having cross-functional expertise on teams (e.g., product development, data science, consumer advocacy, financial industry, government entities, information security, academia, etc.);

        ❑ Experience working in financial services and/or financial technology subject to the problem statements of the TechSprint;

        ❑ Familiarity with user-centered design; and

        ❑ Familiarity working with publicly available datasets.

❑ The link to the full rules can be found here.

TechSprint Rules Highlights

❑ By participating in the TechSprint, each Participant represents and warrants that they are the sole author or owner of the intellectual property or have third-party rights to the intellectual property used in connection with their entry, or that ownership is theirs alone or together with the other individuals on their TechSprint Team, or otherwise has the necessary rights to use the intellectual property for purposes of the TechSprint, including having any and all rights necessary to grant the nonexclusive license rights set forth in this TechSprint Rules.

❑ The Federal Government is also granted the right to publicize Participant names and, as applicable, the names of Team members or legal entities that participated in the submission following the conclusion of the TechSprint. Participants may be featured on Federal websites, in newsletters, social media, and in other print and electronic outreach materials. Except where prohibited, participation in the TechSprint constitutes the consent of each Participant to the Federal Government's use of each Participant's name, likeness, photograph, logo, voice, opinions, public summary, or hometown and state information for promotional purposes through any form of media, worldwide, without further permission, payment, or consideration.

❑ The link to the full rules can be found here.

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Key Dates

Application Opens	Monday, April 3
Application Deadline	Wednesday, May 31
Team Formation	Tuesday, June 1 – Wednesday, June 21
Boot Camp *(virtual)*	Wednesday, June 28
Platform Onboarding and Testing	Monday, June 19 – Friday, June 30
Team Kick-Off *(virtual)*	Thursday, July 6
Velocity TechSprint *(in person)*	Monday, July 10 – Wednesday, July 12
Demo Day *(in person)*	Thursday, July 13

Note: Virtual Observer Track Sessions (4) will be open to all including participants – Monday, July 10 – Wednesday, July 12

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