



Privacy Impact Assessment (PIA) Template

NATIONAL MORTGAGE DATABASE (NMDB®)
(Name of the Information System or Information Collection)

November 8, 2023
Date

System/Collection Overview

NMDB is a comprehensive database of loan-level information about first lien, closed-end single-family mortgages. In addition, for all individuals associated with a first lien, closed-end single-family mortgage contained in the NMDB, the NMDB also contains loan-level information about those individuals' other credit lines, such as other mortgage loans, credit cards, student loans, auto loans, and other loans reported to credit bureaus. NMDB is built from credit repository files and is designed to be a nationally representative sample (5 percent). The use of a sampling frame allows for creation of a public use version of the database. This database will fulfill the monthly mortgage survey requirement of the Housing and Economic Recovery Act (HERA).

This relational data set is created by merging to the credit repository data the following: administrative data from the Enterprises and other government agencies, mortgage servicing data, property data, and Home Mortgage Disclosure Act (HMDA) data. That data is combined to capture loan-level data in five dimensions -- mortgage record, real estate transaction, household demographic data on the borrower, physical characteristics of the house and neighborhood, and performance data on the mortgage and all credit lines (*i.e.*, other mortgage loans, credit cards, student loans, auto loans, and other loans reported to credit bureaus) of the mortgage borrower and all other borrowers associated with the mortgage. The NMDB is used to produce monthly performance data on mortgages credit lines. In addition, two recurring surveys are administered as part of the NMDB program: the quarterly National Survey of Mortgage Originations (NSMO) and the annual American Survey of Mortgage Borrowers (ASMB). The data collected become part of NMDB.

Beginning in 2014, quarterly NSMO collects mortgage search and satisfaction information from borrowers associated with newly sampled mortgage trade lines. The implementation strategy is comprised of four planned contacts with potential respondents:

1. Week 1: Mail questionnaire and cover letter;
2. Week 2: 1st reminder letter;
3. Week 5: 2nd reminder letter plus questionnaire (only non-responders); and
4. Week 7: 3rd reminder letter (only non-responders).

A survey vendor receives returned mail and survey responses as an agent for the credit bureau (and FHFA). By keeping track of who responded and non-delivered surveys, FHFA is tracking individuals. The questionnaire ID number allows the credit bureau (and its survey vendor) to merge survey data with NMDB mortgage trade lines (encrypted tradeline identification numbers (TINs)). Individuals can opt out of the survey by calling a survey hotline maintained by the credit bureau or by not responding at all. This number is provided on the cover letter accompanying the survey questionnaire along with a Paperwork Reduction Act Notice and Privacy Act Notice.

Beginning in 2016, annual ASMB collects information from existing borrowers on topics such as mortgage delinquency, foreclosure, mortgage forbearance, and flood risk. The implementation strategy is the same as for the NSMO.

Section 1.0 Characterization of the Information

The following questions define the scope of the information requested and/or collected as well as reasons for its collection as part of the System/Collection being procured or developed. The questions address all information collected, with emphasis on the collection of PII, such as name, address, social security number, date of birth, financial information, etc.

#	Question	Response
1.1	What information types (e.g., contact information, demographic information, employment information) are being collected, used, disseminated, or maintained in the System/Collection?	Data on a consumer's mortgage, household composition, consumer housing characteristics, consumer performance on mortgages, and information about other credit lines, such as other mortgage loans, credit cards, student loans, auto loans, and other loans reported to credit bureaus.
1.2	What or who are the sources of the information provided to FHFA and included in the System/Collection?	Experian credit repository files, Enterprise mortgage data files, servicing files, property data files, Federal Housing Administration (FHA) data files, Veterans Affairs (VA) data files, Rural Housing Service (RHS) data files, HMDA data files, and survey responses from individuals.
1.3	For what purpose is the information being collected, used, disseminated, or maintained?	The NMDB is a comprehensive database that can be used to regulate and monitor the housing and mortgage servicing sectors and to address a wide variety of economic and policy related topics. The information is used to satisfy market report mandates as required under HERA for the FHFA and under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) for the Consumer Financial Protection Bureau (CFPB).
1.4	How is the information provided to or otherwise obtained by the System/Collection?	The information is collected from credit repository files, servicing files, and property data files. Further, FHFA collects data from FHA, VA, RHS, the Enterprises, and HMDA through interagency agreements and regulatory reporting. In addition, information is collected directly from mortgage borrowers through the NSMO and ASMB.
1.5	<p>Are Social Security Numbers (SSNs) being collected or used in the System/Collection?</p> <ul style="list-style-type: none">• If yes, describe in detail:<ol style="list-style-type: none">1) The business justification for collecting or using SSNs;2) The consequences if SSNs are not collected or used; and3) How the SSNs will be protected while in use, in transit and in storage.• If no, state "N/A" in the response section.	<p>Yes, the Enterprises, FHA, and VA send SSNs to Experian for the purposes of matching via Experian's Secure File Transfer Protocol (SFTP) or Secure Transport System (STS). Without SSNs, the matching performed is imperfect. Only de-identified data without SSNs are provided to FHFA by Experian after matching. Files with SSNs and other PII are destroyed after matching. FHFA does not receive the SSNs provided to Experian by the Enterprises, FHA, and VA.</p>

Section 2.0 Uses of the Information

The following questions delineate the use of information.

#	Question	Response
2.1	How will the information be used and for what purpose?	Mandatory reporting under HERA and Dodd-Frank, research, performance modeling, examination monitoring, and other financial related analyses.
2.2	Describe any types of measures or processes in place to ensure that information is only used in the manner for which it was collected.	Users granted access to NMDB data are required to sign a Terms of Use and Rules of Behavior. Personal identification numbers (PINs) and mortgage IDs (<i>i.e.</i> , TINs) are encrypted. Datasets are redacted for internal and external use. A third-party intermediary, Experian performs a double-blind merging of data.

Section 3.0 Retention

The following questions outline how long information will be retained after the initial collection.

#	Question	Response
3.1	How long is the information retained?	Permanent.
3.2	Has a retention schedule been approved by FHFA's Records Management Office and National Archives and Records Administration (NARA)? If yes, provide the corresponding General Record Schedule (GRS) or FHFA specific Records Schedule number.	Yes, NI-543-11-1 FHFA Comprehensive Records Schedule Item 2.3a Supervision and Housing Mission Electronic System Records.

Section 4.0 Notice, Access, Redress and Correction

The following questions are directed at notice to the individual, the individual's right to consent to uses of the information, the individual's right to decline to provide information, and the individual's ability to ensure the accuracy of the information collected about them.

#	Question	Response
4.1	Is the information in this System/Collection retrieved by an individual's name or personal identifier such as an SSN or other identification? <ul style="list-style-type: none">• If no, please put "no" in the Response section.• If yes, the System/Collection will need to be covered by a Privacy Act System of Records Notice(s) (SORN(s)). Please provide the SORN(s) name and number or indicate that a SORN is in progress.	Yes, FHFA-21 National Mortgage Database.
4.2	How is notice about the collection of PII provided to individuals prior to the collection for the System/Collection (<i>e.g.</i> , direct notice, Privacy Act Statement or public notice, SORN)? If notice is not provided, explain why not.	Notice is provided to those individuals who take the NSMO and ASMB surveys. This notice is in the cover letter to the survey questionnaire, which includes a Privacy Act Notice.

4.3	Is an individual's response to the request for information voluntary or mandatory?	Individuals' response to the NSMO and ASMB surveys is voluntary.
4.4	What are the consequences if an individual declines to provide the information?	There are no consequences.
4.5	What are the procedures that allow individuals to gain access to their information?	Individuals can direct requests for access to the Privacy Act Appeals Officer in accordance with the SORN and FHFA's Privacy Act Regulation, 12 CFR 1204.
4.6	What are the procedures for correcting inaccurate or erroneous information?	Individuals can direct requests to contest or appeal an adverse decision for a record to the Privacy Act Appeals Officer in accordance with the SORN and FHFA's Privacy Act Regulation, 12 CFR 1204.

Section 5.0 Sharing and Disclosure

The following questions define the content, scope, and authority for information sharing.

#	Question	Response
5.1	Is information shared with internal office(s) or division (s)? <ul style="list-style-type: none"> If yes, please identify the FHFA office(s) or division(s) and describe the information shared and for what purpose. If no, please state "N/A" in the response section. 	Internal use of the source data is restricted to the FHFA NMDB team. Production NMDB data is shared with other internal FHFA offices/divisions upon request and completion of signed Terms of Use and Rules of Behavior.
5.2	Is information shared with external (outside FHFA) agencies, organizations, contractors, or other entities? For purposes of this Section, external organization(s) include Federal, state, and local government, and the private sector. <ul style="list-style-type: none"> If yes, please identify the information shared, and for what purpose. If no, skip to Section 6. 	CFPB, other federal government agencies, Fannie Mae, and Freddie Mac have access to the production NMDB data. Shared data include encrypted Experian TINs, which includes mortgages, credit cards, student loans, auto loans, and other loans reported to Experian, as well as PINs, mortgage characteristics, property attributes, real estate transaction characteristics, and demographic information associated with sampled mortgage tradelines. A redacted public use dataset for the smaller survey sample exists. This dataset may be expanded in the future. Experian, performing double-blind merging of data for NMDB, is provided access to non-redacted mortgage, property, demographic, and real estate transaction data to facilitate high quality matching with credit bureau data.

5.3	<p>Is the sharing of PII outside the agency compatible with the stated purpose of the original information collection?</p> <ul style="list-style-type: none"> • If yes and a SORN applies, identify the applicable routine uses in the SORN listed in Question 4.1. • If no and/or a SORN does not apply, identify the legal authority that permits the sharing outside FHFA. 	<p>Yes, sharing of PII with Experian will be done for the purposes of high-quality merging and matching of property data with Experian credit data.</p> <p>The following routine uses identified in FHFA-21, National Mortgage Database, applies to the external sharing of this data:</p> <p>(3) To contractor personnel and other authorized individuals working on a contract, cooperative agreement, or project for FHFA or CFPB related to the NMDB;</p> <p>(4) To the Office of Management and Budget, Department of Justice, Department of Homeland Security, or other federal financial regulatory agencies to obtain advice regarding statutory, regulatory, policy, and other requirements related to the purpose for which FHFA collected the records;</p> <p>(7) To an FHFA regulated entity;</p> <p>(8) De-identified, anonymized data with the CFPB in order to facilitate reporting under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111–203), as well as to conduct research, performance modeling, and market monitoring; and</p> <p>(9) De-identified, anonymized data to federal financial regulators and other U.S. Government agencies for conducting research and analysis related to the mortgage markets and for supervisory purposes; servicers are not identified and information cannot be used for enforcement actions against servicers.</p>
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Section 6.0 Technical Access and Security

The following questions describe technical safeguards and security measures.

#	Question	Response
6.1	<p>Will FHFA Office of Inspector General (OIG) or non-FHFA personnel (e.g., contractor personnel, regulated entity personnel) have access to the System/Collection and information contained therein?</p> <ul style="list-style-type: none">• If yes, how will they gain access to the System/Collection?• If no, how will the agency control access to and use of that information?• Are there procedures or criteria documented in writing? If so, please describe.	<p>System data and programs are located on FHFA's server. Currently, only FHFA employees with access to the server and who are assigned to the NMDB restricted group can access the data and programs. The System Owner or that person's designee requests access for team members via an email to the FHFA helpdesk. Access requests may also be generated via FHFA's internal access control system. Written procedures for access for FHFA employees assigned to this project exist.</p> <p>Notwithstanding, selected Fannie Mae and Freddie Mac employees, CFPB employees, and other government agency employees have access to the system where production data is housed through VPN/Citrix security protocols. Written procedures for access by non-FHFA personnel assigned to this project exist.</p>
6.2	<p>Are there any conflicts of interest with respect to the System/Collection or information? If so, identify the conflicts of interest and describe how they are addressed.</p>	<p>No</p>
6.3	<p>Describe the type and frequency of training that is provided to users that is specifically or generally relevant to the System/Collection.</p>	<p>All FHFA employees are required to undergo Security, Privacy, and Records and Information Management (RIM) training at new employee onboarding training and annually thereafter. In addition, all FHFA users with elevated privileges receive specialized security training, and role-based privacy awareness training for those individuals whose work duties and responsibilities involve the collection, use, storage, access, or maintenance of PII.</p>

6.4	Describe the technical/administrative safeguards in place to protect the data.	<p>As documented in the System Security and Privacy Plan (SSPP), access to the NMDB is limited to those with a valid business need who have been approved for access by the System Owner and those who have signed the Terms of Use and Rules of Behavior. Role-based access controls are designed into the system and users are granted the least privileged role required to carry out their responsibilities.</p> <p>The NMDB is hosted by FHFA and accessible only to users with FHFA Active Directory accounts. Technical and administrative safeguards are documented within the SSPP and tested prior to authorization and annually thereafter as part of FHFA's assessment and authorization (A&A) process and consistent with the NIST Risk Management Framework. These safeguards include, but are not limited to multifactor authentication, data redaction, blocking access to cloud storage, secure access procedures, audit log review, etc.</p>
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Section 7.0 Risk

The following questions describe the risk to the information within the System or Collection.

#	Question	Response
7.1	Given the amount and type of information collected, what are the risks to an individual's privacy associated with collection of the data? Explain in detail how the loss or compromise of the information will/can affect an individual's privacy and describe how these risks are mitigated.	Risk of loss; identity theft; data integrity. To protect against these risks, the data in the NMDB are de-identified by Experian before being provided back to FHFA. In addition, certain data are encrypted and certain data are redacted for both internal and external use.
7.2	Discuss the risks associated with the length of time data is retained and how those risks are mitigated.	Risk is high immediately after the data are received from Experian. The risk (value) of dated information falls significantly over time.
7.3	Given the external sharing, explain the privacy risks to the individual and describe how those risks are mitigated.	Procedures are in place to limit access to CFPB staff and other federal government agency staff through MOUs/IAAs. Risks are further mitigated through the use of encrypted PIN and mortgage ID; redacted datasets for internal/external data use; and third-party intermediary, Experian, to perform double-blind merging of data before returning de-identified data to FHFA, and signed Terms of Use and Rules of Behavior.