

FHFA-21

SYSTEM NAME:

National Mortgage Database Project.

SECURITY CLASSIFICATION:

Sensitive but unclassified.

SYSTEM LOCATION:

Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20024, and Experian Information Solutions Inc., 475 Andon Blvd., Costa Mesa, CA 92626.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Across the three components of the National Mortgage Database Project, information about individuals in the system will contain records that have been collected from: (1) Credit repository data; (2) administrative data sources including existing mortgage data from the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal Home Loan Banks (Banks), the Federal Housing Administration (FHA), the United States Department of Veterans Affairs (VA), and other government agencies; (3) Home Mortgage Disclosure Act (HMDA) data; (4) members of the public as part of the National Surveys of Mortgage Borrowers; and (5) other commercially available mortgage, property, and appraisal sources.

CATEGORIES OF RECORDS IN THE SYSTEM:

The revised system of records covers the National Mortgage Database Project ("Project"), which is comprised of three components: (1) The National Mortgage Database ("NMDB"); (2) the information used to create the NMDB but will not be contained within the NMDB; and (3) National Surveys of Mortgage Borrowers ("Surveys"). Across these three components of the NMDB Project, records include five forms of loan-level data: mortgage record, real estate transaction, household demographic data on the borrower(s), physical characteristics of the house and neighborhood, and performance data on the mortgage and credit lines (i.e., credit cards, student loans, auto loans, and other loans reported to credit bureaus) of the mortgage borrower(s). The three components are described below.

Under the first component and when the development phase of the NMDB is completed, the NMDB will contain de-identified records of borrowers and properties associated with a 1-in-20 nationally representative random sample of mortgages. These de-identified records may include: (1) Borrower(s) information (age, Zip Code, race/ethnicity, sex, presence of children by various age categories, household income, credit score(s) of borrower(s) at origination, deceased indicator, and marital status); (2) Mortgage Information (current balance, actual monthly payment, delinquency grid, scheduled monthly payment, refinanced amount, and bankruptcy information); (3) Credit card/other loan information (account type, credit amount, account balance amount, account past due amount, account minimum payment amount, account actual payment amount, account high balance amount, account charge off amount, and second mortgage); (4) Property Attributes (property type, number of bedrooms and bathrooms, square footage, lot size, year built/age of structure, units in structure, most recent assessed value (per tax roll), year of most recent assessed value, effective age of structure, project name, and neighborhood name); (5) Real Estate Transaction Attributes (sales price, down payment, occupancy status (own, rent), new versus existing

home, county, census tract, and date purchased); (6) Mortgage Characteristics Attributes (mortgage product and purpose, origination date, acquisition date, amount of mortgage, refinanced amount, amount of down payment, term of mortgage, interest rate of mortgage, source of mortgage/mortgage channel, mortgage insurance type, loan to value at origination, origination amount/credit limit, originator, servicer(s), debt to income ratio at origination, number of borrower(s), number of units covered by the mortgage and the total number of units in the associated property, presence of prepayment penalty, origination points paid by borrower(s), discount points paid by borrower(s), balloon payment date/amount, percent of down payment, and secondary market indicator).

Under the second component, and solely for the purposes of matching records in the NMDB with other datasets as part of the construction of the NMDB, records may include: borrower(s) information such as name, address, Social Security number, date of birth, and mortgage account number. Records with direct identifying information, including name, address, Social Security numbers, date of birth, and mortgage account numbers, will be used solely by a credit repository behind a firewall for purposes of matching the records with other datasets, which will better enable FHFA to perform the statutory functions identified below. FHFA and Consumer Financial Protection Bureau (CFPB) employees will not have access to this direct identifying information.

The matching will be conducted by a credit repository. The matching will be conducted behind a firewall using a blind matching process on a 1-in-20 nationally representative random sample. FHFA and CFPB employees will not have access to this blind matching process.

After the matching is complete, the records with direct identifying information (name, Social Security number, date of birth, and mortgage account number) will be permanently destroyed by the credit repository and will not be maintained. A de-identified dataset, as described above, will be used for conducting research on and analysis of the mortgage markets.

FHFA may obtain updates or supplements to this de-identified dataset and, in those circumstances, may use record locators unique to the source providing the update in order to update or supplement records. In these instances, FHFA's credit repository vendor may retain property address solely for the purpose of updating matches or conducting future matches with new data sets. FHFA and CFPB employees will not have access to this information.

Under the third component, the Surveys will collect and maintain records on demographic information from a subset of individuals who voluntarily respond to the Surveys to include: education status, military status, financial events and life events in the last couple of years, and assets and wealth. An opt-out list will be maintained by a third party vendor containing the name and address for those individuals who have opted-out in order to ensure that they do not receive future communications from the Surveys. FHFA and CFPB employees will not have access to this list.

Records include information related to an individual's language preference, including, but not limited to, information about the borrower's or coborrower's Limited English Proficiency and/or Preferred Language.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

12 U.S.C. 4511, 4513, 4543, and section 1324 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) as amended by section 1125 of the Housing and Economic Recovery Act of 2008 (12 U.S.C. 4544 and 4544(c)).

PURPOSE(S):

The records in this system of records are collected and maintained in order to facilitate mandatory reporting under the Safety and Soundness Act as well as to conduct research, performance modeling, and examination monitoring. The statutory mandate for a monthly mortgage market survey requires FHFA to survey the full breadth of the mortgage market, including mortgages that are eligible for purchase by Fannie Mae and Freddie Mac and those that are not. Under this statutory mandate, FHFA is required to collect data on the characteristics of individual mortgages including, among other items, the price of the property, the terms of mortgages, and the creditworthiness of borrowers. The records in the opt-out list are maintained by a third party vendor in order to ensure that those individuals who have opted out of receiving communications about the Surveys do not receive any further communications.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act, these records or information contained therein may specifically be disclosed outside FHFA as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows:

- (1) When (a) it is suspected or confirmed that the security or confidentiality of information in the system of records has been compromised; (b) FHFA has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by FHFA or another agency or entity) that rely upon the compromised information; and (c) the disclosure is made to such agencies, entities, and persons who are reasonably necessary to assist in connection with FHFA's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.
- (2) To members of advisory committees that are created by FHFA or by Congress to render advice and recommendations to FHFA or to Congress, to be used solely in connection with their official, designated functions.
- (3) To contractor personnel and other authorized individuals working on a contract, cooperative agreement, or project for FHFA or CFPB related to the NMDB.
- (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.
- (5) To the National Archives and Records Administration or other federal agencies pursuant to records management inspections being conducted under the authority of 44 U.S.C. 2904 and 2906.
- (6) To a federal agency, organization, or individual for the purpose of performing audit or oversight operations as authorized by law, but only such information as is necessary and relevant to such audit or oversight function.
- (7) To an FHFA regulated entity.
- (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.

(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.

DISCLOSURE TO CONSUMER REPORTING AGENCIES:

None.

POLICIES AND PRACTICE FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Records are maintained in electronic format, paper form, and magnetic disk or tape. Electronic records are stored in computerized databases. Paper and magnetic disc, or tape records are stored in locked file rooms, locked file cabinets, or locked safes.

RETRIEVABILITY:

For the purposes of compiling data from the data sources under the second component of the Project, the records may contain anonymized personal identifiers (i.e., a database-specific constructed loan identifier or encrypted unique identification numbers) for purposes of matching the records with other datasets. After the matching is complete, a de-identified copy of the matched dataset will be used under the first component of the Project for conducting research and analysis as described above. FHFA may retain these anonymized personal identifiers after the matching, but only for the purpose of performing similar matches on future data acquisitions. Under the third component of the Project for the Surveys opt-out list, information will be held by a third party vendor and may be retrieved by that vendor by name or address.

SAFEGUARDS:

Records are safeguarded in a secured environment. Buildings where records are stored have security cameras and 24-hour security guard service. Computerized records are safeguarded through use of access codes and other information technology security measures. Paper records are safeguarded by locked file rooms, locked file cabinets, or locked safes. Access to the records is restricted to those who require the records in the performance of official duties related to the purposes for which the system is maintained and who have agreed, in writing, to maintain the confidentiality and integrity of the data.

RETENTION AND DISPOSAL:

Records are maintained in accordance with National Archives and Records Administration and FHFA retention schedules. Records are disposed of according to accepted techniques.

SYSTEM MANAGER(S) AND ADDRESS:

Project Manager, National Mortgage Database Project, Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20024.

NOTIFICATION PROCEDURES:

Direct inquiries as to whether this system contains a record pertaining to an individual to the Privacy Act Officer. Inquiries may either be mailed to the Privacy Act Officer, Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20024, or electronically at <http://www.fhfa.gov/AboutUs/FOIAPrivacy/Pages/Privacy.aspx> in accordance with the procedures set forth in 12 CFR part 1204.

RECORD ACCESS PROCEDURES:

Direct requests for access to the Privacy Act Officer. Requests may be mailed to the Privacy Act Officer, Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20024, or can be submitted electronically at <http://www.fhfa.gov/AboutUs/FOIAPrivacy/Pages/Privacy.aspx> in accordance with the procedures set forth in 12 CFR part 1204.

CONTESTING RECORD PROCEDURES:

Direct requests to contest or appeal an adverse decision for a record to the Privacy Act Appeals Officer. Requests may be mailed to the Privacy Act Appeals Officer, Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20024, or can be submitted electronically at <http://www.fhfa.gov/AboutUs/FOIAPrivacy/Pages/Privacy.aspx> in accordance with the procedures set forth in 12 CFR part 1204.

RECORD SOURCE CATEGORIES:

The information in this system will be obtained from: (1) Credit repository data; (2) administrative data sources, including mortgage data from Fannie Mae, Freddie Mac, the Banks, FHA, VA, and other government agencies; (3) HMDA data; (4) other commercially-available mortgage, property, and appraisal sources; and (5) individuals who voluntarily respond to the Surveys.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

None.