

May 16, 2014

Alfred M. Pollard, General Counsel
Attention: Comments/2014-N-03
Federal Housing Finance Agency
400 Seventh Street S.W.
Washington, D.C. 20024

Via Email at RegComments@fhfa.gov

RE: 2014-N-03

Dear Mr. Pollard:

The undersigned associations appreciate the opportunity to comment on the Notice of revision to an existing system of records (2014-N-03) regarding the National Mortgage Database (the "NMDB") under development by the Federal Housing Finance Agency (FHFA) and the Consumer Financial Protection Bureau (CFPB). The NMDB has two stated purposes: to facilitate mandatory reporting under the Housing and Economic Recovery Act of 2008 and to conduct "research, performance modeling and examination monitoring." In addition to borrower records based on credit repository data, the database will include results of ongoing borrower surveying. Records will be matched with records within other datasets and then personal identifiers will be "deidentified" before the NMDB is used for research. This matching function makes the NMDB unique and uniquely valuable as a research tool.

In July 2013, representatives of FHFA, the CFPB and Freddie Mac presented at the International Conference of Collateral Risk: Moderating Housing Cycles and their Systemic Impact. The presenters explained that the NMDB is being set up as "a public good" that is needed because existing databases (HMDA, LPS McDash, CoreLogic and NY Fed Equifax) are not fully representative, and in the case of HMDA, also do not report data until 9-21 months after a mortgage is originated. For some, the cost of obtaining information from the existing databases is prohibitive.

By closing these existing data gaps, the NMDB will serve as a valuable research tool that should be made broadly available for housing finance research and analysis. However, it is currently contemplated that access to the NMDB will be allowed only for certain employees of federal government agencies, reserve banks and Fannie Mae and Freddie Mac ("the Enterprises"). The undersigned believe that it is inappropriate and unnecessary to restrict access to the NMDB in this way. The NMDB will facilitate important undertakings within the private sector, including market analysis, product development and evaluation of credit risk standards. It will also enable third parties to assess work done by federal agencies or the Enterprises based on the NMDB, and will promote robust policy discussions and help to drive sound outcomes. Consumer identifying information will be removed from the NMDB, thus minimizing any potential threat to consumer privacy. However, if FHFA or the CFPB has lingering concerns about privacy issues, a simple user agreement to refrain from reverse engineering records would provide added protections.

The undersigned appreciate your consideration of this important issue. Feel free to contact any of us if we may be of further assistance.

Very truly yours,

Mortgage Bankers Association

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National Association of Home Builders

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U.S. Mortgage Insurers

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