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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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### **FHFA Announces New Mortgage Data Requirements**

**Washington, DC** – James B. Lockhart, Director of the Federal Housing Finance Agency, announced today that, effective with mortgage applications taken on or after Jan. 1, 2010, Freddie Mac and Fannie Mae are required to obtain loan-level identifiers for the loan originator, loan origination company, field appraiser and supervisory appraiser. Director Lockhart communicated this requirement to Fannie Mae CEO Herbert Allison and Freddie Mac CEO David Moffett in letters dated October 8, 2008.

FHFA's requirement is consistent with Title V of the Housing and Economic Recovery Act of 2008, the S.A.F.E. Mortgage Licensing Act, enacted July 30. With that Act, Congress required the creation of a Nationwide Mortgage Licensing System and Registry. In prior years, both Enterprises worked with the Mortgage Bankers Association of America (MBAA) and the National Association of Mortgage Brokers (NAMB) on a similar initiative. However, that effort was thwarted due to the absence of a national registration and identification system. With enactment of the S.A.F.E. Mortgage Licensing Act, identifiers will now be available for each individual loan originator.

“This represents a major industry change. Requiring identifiers allows the Enterprises to identify loan originators and appraisers at the loan-level, and to monitor performance and trends of their loans,” said Lockhart. “If originators or appraisers have contributed to the incidences of mortgage fraud, these identifiers allow the Enterprises to get to the root of the problem and address the issues.”

The purpose of FHFA's requirement is to prevent fraud and predatory lending, to ensure mortgages owned and guaranteed by the Enterprises are originated by individuals who have complied with applicable licensing and education requirements under the S.A.F.E. Mortgage Licensing Act, and to restore confidence and transparency in the credit markets. In addition, the Enterprises will use the data collected to identify, measure, monitor and control risks associated with originators' and appraisers' performance, negligence and fraud.

A licensing system owned and operated by State Regulatory Registry LLC will be used to license and register loan originators. The Conference of State Bank Supervisors (CSBS) in cooperation with the American Association of Residential Mortgage Regulators (AARMR) established the State Regulatory Registry LLC (SRR) in 2006 with the intent of creating a National Mortgage Licensing System. The system is intended to enhance each state's ability to protect consumers; improve supervision and enforcement of licensed entities;

and streamline licensing and other processes for state agencies and the industry through the use of modern technology and centralizing redundant state agency operations.

To implement the requirement, FHFA has been working with the Conference of State Bank Supervisors (CSBS) and the FFIEC Appraisal Subcommittee. Within the next 30 days, both Fannie Mae and Freddie Mac will be issuing guidance related to implementation of the requirement.

Links to

[Letter to Fannie Mae](#)

[Letter to Freddie Mac](#)

[H.R. 3221, Title V, the S.A.F.E. Mortgage Licensing Act](#)

[National Mortgage Licensing System \(NMLS\)](#)

[Conference of State Bank Supervisors \(CSBS\)](#)

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$6.2 trillion in funding for the U.S. mortgage markets and financial institutions.*