FREQUENTLY ASKED QUESTIONS

What is the Mortgage Data Repository initiative?

The Mortgage Data Repository initiative is an industry-led effort, sponsored by the Housing Policy Council, to explore whether a centralized repository for mortgage collateral data would improve the efficiency and transparency of the U.S. mortgage market. The initiative is in an exploratory stage; no decisions about the repository's design, governance, or implementation have been made.

Why is HPC leading this effort?

HPC's membership includes originators, servicers, insurers, settlement/service providers, and custodians. That breadth makes HPC well-positioned to convene industry stakeholders, gather diverse perspectives, develop proposals, and assess whether sufficient consensus exists to move the initiative to successive phases.

Why now?

The costly gap between legacy processes/systems and what improving technology has made possible continues to widen. As companies accelerate adoption of advanced technology within their own organizations, HPC believes that it is essential to ramp up efforts to create/improve widely used market infrastructure that will support and extend this progress.

How long will this take to develop and what will it cost?

It is too early to provide reliable estimates of development timelines or costs, which will depend heavily on the governance model, technical architecture, and scope of the repository -- discussion of which this RFI is designed to inform. That said, an industry initiative to develop central financial market infrastructure should be expected to require a multi-year development timeline. HPC's intent is to develop and maintain materials and a venue that will allow for ongoing input and planning on the part of anticipated users of the Repository, to inform future discussions and proposals relating to costs and upfront investment.

What happens after the comment period closes?

HPC will review responses received with the member working group, and factor the input into continuing engagement with industry firms, trade associations, and agencies. The last page of the document describes workstreams anticipated for the initiative’s next phase.

Would the Repository replace existing document custodians?

No. Existing document custodians would remain essential participants in the mortgage market, with a continuing focus on loan/pool certification. The Repository, which would contain electronic information only, would foster standardization to improve risk management in the MBS market, including by custodians.

Doesn't the increasing usage of eNotes make a Repository unnecessary?

No, for two reasons. First, even today paper notes are generated in vastly higher quantities than eNotes, meaning that physical collateral will be significant for decades to come. Second, the lack of a centralized database means there is no logical place to store information not contained in the MERS eRegistry, or in eVaults, that, if made more accessible, could improve market functions.

Would participation be mandatory?

This is one of the questions this RFI is designed to explore. There is no question that the Repository would ideally contain information on (at least) all loans that are financed through MBS programs. But there are many questions to be addressed about whether (or how) use of the Repository would be made mandatory, and over what timespan. Respondents are encouraged to share their views on this question.

Who would own and operate the repository?

The initiative envisions the repository as an industry-driven cooperative, and the document outlines a range of approaches to ownership, governance, and management. Stimulating further conversation about this topic is among the most important objectives of this RFI.

Who should respond to this RFI?

HPC welcomes responses from any organization with an interest in mortgage market infrastructure, including originators, servicers, investors, document custodians, technology providers, title and settlement companies, and trade associations. Regulators and consumer advocacy organizations are also encouraged to share their perspectives.