



## **FEDERAL HOUSING FINANCE AGENCY**

**[No. 2013–N–07]**

### **Proposed Collection; Comment Request**

**AGENCY:** Federal Housing Finance Agency.

**ACTION:** 60-day Notice of Submission of Information Collection for Approval from Office of Management and Budget.

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**SUMMARY:** In accordance with the requirements of the Paperwork Reduction Act of 1995, the Federal Housing Finance Agency (FHFA) is seeking public comments concerning a proposed information collection to be known as the "National Survey of Mortgage Borrowers" (NSMB). This is a new collection that has not yet been assigned a control number by the Office of Management and Budget (OMB). FHFA intends to submit the proposed information collection to OMB for review and approval of a three-year control number.

**DATES:** Interested persons may submit comments on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Submit comments to FHFA using any one of the following methods:

- **E-mail:** [RegComments@fhfa.gov](mailto:RegComments@fhfa.gov). Please include Proposed Collection; Comment Request: "National Survey of Mortgage Borrowers, (No. 2013-N-07)" in the subject line of the message.

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. If you submit your comment to the Federal eRulemaking Portal, please also send it by e-mail to FHFA at [RegComments@fhfa.gov](mailto:RegComments@fhfa.gov) to ensure timely receipt by the agency.
- Mail/Hand Delivery: Federal Housing Finance Agency, Constitution Center, Eighth Floor (OGC), 400 Seventh Street SW, Washington, DC 20024, ATTENTION: Public Comments/Proposed Collection; Comment Request: “National Survey of Mortgage Borrowers, (No. 2013-N-07)”. The package should be logged at the Seventh Street entrance Guard Desk, First Floor, on business days between 9 a.m. and 5 p.m.

We will post all public comments we receive without change, including any personal information you provide, such as your name, phone number, and address (e-mail or home), on the FHFA website at <http://www.fhfa.gov/Default.aspx?Page=89>. In addition, copies of all comments received will be available for examination by the public on business days between the hours of 10 a.m. and 3 p.m., at the Federal Housing Finance Agency, Constitution Center, Eighth Floor (OGC), 400 Seventh Street SW, Washington, DC 20024. To make an appointment to inspect comments, please call the Office of General Counsel at (202) 649-3804.

**FOR FURTHER INFORMATION CONTACT:** Theresa DiVenti, Senior Economist, Office of Systemic Risk and Market Surveillance, by e-mail at [Theresa.DiVenti@fhfa.gov](mailto:Theresa.DiVenti@fhfa.gov) or by telephone at (202) 649-3113; or Eric Raudenbush, Assistant General Counsel, by e-mail at [Eric.Raudenbush@fhfa.gov](mailto:Eric.Raudenbush@fhfa.gov) or by telephone at (202) 649-3084, (these are not toll-free numbers), Federal Housing Finance Agency,

Constitution Center, Eighth Floor (OGC), 400 Seventh Street SW, Washington, DC 20024. The Telecommunications Device for the Hearing Impaired is (800) 877-8339.

## **SUPPLEMENTARY INFORMATION:**

### **A. Need For and Use of the Information Collection**

The NSMB will be a quarterly survey of individuals who have recently obtained a loan secured by a first mortgage on single-family residential property. The survey questionnaire will be sent to approximately 7,000 new mortgage borrowers each calendar quarter and will consist of approximately 80-85 multiple choice and short answer questions designed to obtain information about individual residential mortgages and borrowers that is not available elsewhere. The NSMB is one component of a larger project, known as the “National Mortgage Database,” which is a joint effort of FHFA and the Consumer Financial Protection Bureau (CFPB).

Section 1324 of the Housing and Economic Recovery of 2008 (HERA) requires that FHFA conduct a monthly survey to collect data on the characteristics of individual prime and subprime mortgages, and on the borrowers and properties associated with those mortgages. Specifically, FHFA is required to collect data on: the sales price of the mortgaged property; the loan-to-value ratio of the mortgage; the terms of the mortgage; the creditworthiness of the borrowers; whether borrowers on subprime mortgages would have qualified for prime lending; and whether the mortgage was purchased by Fannie Mae or Freddie Mac.<sup>1</sup> The stated purposes of the monthly mortgage survey required under HERA are to enable FHFA to prepare a detailed annual report on the mortgage market activities of Fannie Mae and Freddie Mac relative to the rest of the market for the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on

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<sup>1</sup> See 12 U.S.C. 4544(c).

Financial Services of the House of Representatives,<sup>2</sup> and to compile a database of timely and otherwise unavailable residential mortgage market information to be made available to the public.<sup>3</sup> In order to fulfill those statutory mandates, as well as to support policymaking and research efforts, FHFA, along with CFPB, is committed to fund, build, and manage the National Mortgage Database. The key purpose of the National Mortgage Database is to make accessible accurate, comprehensive information for monitoring the residential mortgage market by Congress, regulators, and other interested parties.

FHFA draws the core data for the National Mortgage Database from a random 1-in-20 sample of mortgages in the common database of credit information on individual consumers that is maintained by one of the three national credit repositories. These core data may be supplemented, for example, with additional information from sources such as the Home Mortgage Disclosure Act database that is maintained by the Federal Financial Institutions Examination Council,<sup>4</sup> property valuation models, and data files maintained by Fannie Mae and Freddie Mac. The purpose of the NSMB is to complete the National Mortgage Database by obtaining critical information that is not available from existing sources.

Under section 1324 of HERA, FHFA must collect information on the characteristics of individual subprime and nontraditional mortgages, as well as on the characteristics of borrowers on such mortgages, including information on the creditworthiness of those borrowers and information sufficient to determine whether those borrowers would have qualified for prime lending.<sup>5</sup> The NSMB questionnaire is

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<sup>2</sup> See 12 U.S.C. 4544(a), (b).

<sup>3</sup> See 12 U.S.C. 4544(c)(3).

<sup>4</sup> See 12 U.S.C. 2801-2811.

<sup>5</sup> See 12 U.S.C. 4544(c)(2).

designed, in part, to elicit this information directly from borrowers, who are likely to be the most reliable and accessible—and, in some cases, the only—source for this information. In addition, the questionnaire is designed to elicit more complete information on mortgage terms, mortgaged properties, and borrowers' household demographics than can be obtained from the existing sources. The information obtained from the NSMB, in combination with that obtained from the existing sources, will make the National Mortgage Database a high quality and uniquely comprehensive and timely resource for information on developments in the residential mortgage market. The NSMB will be especially critical in ensuring that the National Mortgage Database contains complete and timely information on the range of nontraditional and subprime mortgage products being offered, the methods by which these mortgages are being marketed, and the characteristics, and particularly creditworthiness, of borrowers for these types of loans.

The information in the National Mortgage Database, including that obtained through the NSMB, will be used for three primary purposes: (1) to prepare the report to Congress on the mortgage market activities of Fannie Mae and Freddie Mac that FHFA is required to submit under section 1324 of HERA; (2) for research and analysis by FHFA and other federal agencies that have regulatory and supervisory responsibilities/mandates related to mortgage markets; and (3) to provide a resource for research and analysis by academics and other interested parties outside of the government. Generally, the National Mortgage Database will allow Congress, regulators, and other interested parties to track emerging trends in the mortgage origination process throughout the United States and will allow them to determine more quickly and accurately when the mortgage

origination process is changing in a way that may adversely affect financial markets, borrowers, and consumers. FHFA intends that the availability of this information, as well as the research and analyses derived from it, will provide sufficient warning to allow it and other regulators to take steps to avoid, or at least to mitigate, major mortgage market crises in the future.

## **B. Burden Estimate**

FHFA estimates the total annual average number of survey recipients at 28,000 (7,000 x 4 calendar quarters), with one response per recipient. The estimate for the average amount of time to complete each survey is 30 minutes. The estimate for the total annual hour burden for respondents is 14,000 hours (28,000 respondents × 0.5 hours).

## **C. Comment Request**

FHFA requests written comments on the following: (1) Whether the collection of information is necessary for the proper performance of FHFA functions, including whether the information has practical utility; (2) The accuracy of FHFA's estimates of the burdens of the collection of information; (3) Ways to enhance the quality, utility, and clarity of the information collected; and (4) Ways to minimize the burden of the collection of information on survey respondents, including through the use of automated collection techniques or other forms of information technology.

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Kevin Winkler,  
Chief Information Officer, Federal Housing Finance Agency.

Date: April 19, 2013\_\_\_\_\_

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