General Uniform Mortgage Data Program (UMDP)
FAQs

April 12, 2011

Fannie Mae and Freddie Mac are working together under the direction of our regulator, the Federal Housing Finance Agency, to implement the Uniform Mortgage Data Program℠. These FAQs supplement the information provided in the UMDP℠ Overview.

Q1. What does it mean that Fannie Mae and Freddie Mac are "working together"?

The Federal Housing Finance Agency (FHFA) has directed the government-sponsored enterprises (GSEs) to collect additional data about loans delivered to us, and to work together, with FHFA's guidance, to create a common approach, protocol, and dataset for the capture of electronic appraisal and other loan delivery data. This requirement is consistent with other mandates that FHFA, in its role as the GSEs' regulator, has issued in the past, such as the capture of additional loan data fields in support of the S.A.F.E. Act (also known as Title V).

In this digital age, data standards are crucial to improving quality and operational efficiencies for the industry. This effort complements previous collaborations between Fannie Mae and Freddie Mac on uniform residential mortgage forms and similar efforts. Working together, Fannie Mae and Freddie Mac created a common approach that enables both GSEs to better capture consistent and accurate data for the loans that are submitted for purchase and/or securitization. FHFA has made clear, however, that the GSEs are operating as unique and separate businesses and will continue to exercise independent business judgment in the use of loan data to support analysis, evaluation, and adoption and maintenance of their own business terms, eligibility requirements, pricing and credit policies, and customer relationships.

Q2. How does the UMDP enhance data accuracy and quality?

Adoption of a commonly understood dataset and format will reduce ambiguities in the type and definition of data points required for selling loans to the GSEs. By collecting additional data at a more granular level, market participants will have an increased, common understanding of loan data. Also, over time, lenders will be able to move away from providing proprietary processing codes that can be misinterpreted or incorrectly mapped to delivering root data that can be accepted by both GSEs.

Q3. What is MISMO?

The Mortgage Industry Standards Maintenance Organization (MISMO®) is a subsidiary of the Mortgage Bankers Association. MISMO's purpose is to develop, promote, and maintain voluntary electronic commerce standards for the mortgage industry, intended to promote data consistency, reduce processing costs, and increase transparency through a common data

dictionary and data reference model. MISMO coordinates the development and maintenance of Internet-based eXtensible Markup Language (XML) real estate finance specifications. For more information on MISMO, please visit www.mismo.org.

Q4. What is the role of the MISMO organization in this effort?

Fannie Mae and Freddie Mac are actively involved in the MISMO Working Group structure, currently co-chairing the Secondary workgroup. Each GSE will continue to engage with the members of the work group as the uniform datasets and usage requirements are finalized. The MISMO Version 3.0 Reference Model serves as the basis for the Uniform Loan Delivery Dataset (ULDD) that the GSEs will require for loan delivery. The MISMO Property Valuation Response Version 2.6 Schema Errata 1 serves as the basis for the Uniform Appraisal Dataset (UAD) that the GSEs will require for appraisal delivery.

Q5. How do the objectives of the UMDP impact other parts of the loan origination and secondary market delivery process?

Work to assess impacts to various origination and delivery processes is ongoing. Fannie Mae and Freddie Mac will separately address any changes or issues with customers and the industry. We recognize that the MISMO Version 3.0 format offers flexibilities in its structure that can allow for greater efficiency in the movement of origination data to the loan delivery process, and will assess how to leverage that functionality in the future.

Q6. Will the GSEs be sharing lender-specific information with each other?

Customer relationship information, including terms of business and policies, is considered proprietary information and will not be shared by the GSEs.

Fannie Mae and Freddie Mac are working together as directed by FHFA to create a common approach and uniform datasets. It is important to note that Fannie Mae and Freddie Mac will continue to maintain independent business processes when using the data submitted to them.

Q7. How will lenders benefit from the requirement to transmit additional loan data, which will likely require a significant resource investment for them to implement?

Improving the consistency and accuracy of the data regarding the loan, borrower, and property is expected to provide more certainty regarding the eligibility of a loan for sale in the secondary market to the GSEs. Leveraging technological advances also helps to build a sustainable mortgage finance system for the future.

Q8. How will the data standards be aligned, coordinated, and governed?

Both GSEs recognize the need to provide a mechanism for long-term, ongoing alignment of data standards, supporting specifications, and documentation. Working together, Fannie Mae and Freddie Mac have established a governance structure and process to facilitate maintenance and future updates.

Q9.   Will these announced changes continue to apply once the GSEs emerge from conservatorship?

This requirement is consistent with other mandates that FHFA, in its role as regulator of the GSEs, has issued in the past, and should not be construed as having any direct connection with the conservatorship status.

Q10.   Is the UMDP announcement a signal that FHFA expects or supports combining the GSEs into a single entity?

FHFA directed the GSEs to develop a common approach to capturing loan data to strengthen and maintain the GSEs as viable ongoing business entities, in accordance with its mandate as the GSEs' regulator. A common approach enables both GSEs to better capture consistent and accurate data for the loans that are submitted for purchase and/or securitization. Once collected, this data will drive the GSEs' individual analysis, eligibility requirements, credit and pricing policies, and other business terms.

The GSEs have worked together for a number of years on non-policy business requirements, such as through development and maintenance of uniform mortgage forms and security instruments. The GSEs are congressionally chartered, and thus any decision to change their role and/or structure rests with Congress.

Q11.   How will Fannie Mae and Freddie Mac use the additional data that is collected?

Fannie Mae and Freddie Mac will each determine independently how to use the additional data for their respective business purposes. At each GSE's discretion, the additional loan data may be used for various purposes that may include using the data to analyze loan performance, develop business policies, and make loan purchase decisions.

Q12.   Who should lenders contact if they have questions about the UMDP and its initiatives?

Lenders should use their established primary point of contact at Fannie Mae or Freddie Mac for assistance.

Q13.   Who is the point of contact for questions about the MISMO Version 3.0 Reference Model?

For specific questions about the MISMO Reference Model, please e-mail MISMO at info@mismo.org. For specific questions about the ULDD requirements, lenders should use their established primary point of contact at Fannie Mae or Freddie Mac.

.