



The Case for Uniform Mortgage Servicing Data Standards

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The Mortgage Servicing Collaborative (MSC) is an initiative led by the Urban Institute's Housing Finance Policy Center that brings together lenders, servicers, consumer groups, civil rights leaders, researchers, and policymakers who appreciate the impact servicing has on the health of the housing finance system. By calling on a broad range of perspectives and expertise, the initiative is working toward a well-grounded view of the primary policy challenges in servicing and a thoughtful, data-driven approach to addressing them.

Since its inception, the MSC has published three policy research papers on servicing. The [first brief](#) explained the high-level importance of mortgage servicing and outlined issues in need of reform (Goodman, McCargo, et al. 2018). The [second brief](#) recommended enhancements to the loan modification product suite for government-insured loans (Goodman, Kaul, et al. 2018). The [third brief](#) proposed critical improvements to the foreclosure and conveyance process for mortgages insured by the Federal Housing Administration (Kaul et al. 2018). In this fourth brief, we discuss the benefits that would accrue to consumers and servicers if uniform data standards were adopted for exchanging mortgage servicing data.

About the Mortgage Servicing Collaborative

The Housing Finance Policy Center's Mortgage Servicing Collaborative is a research initiative that seeks to identify and build momentum for servicing reforms that make the housing market more equitable and efficient.

One core MSC objective is to improve awareness of the role and importance of mortgage servicing in the housing finance system. Since 2013, HFPC researchers have studied the landscape, followed the work and policies put in place after the crisis, and assessed the impact of the servicing industry on consumers and communities. This includes loss mitigation and foreclosure actions and how servicing practices affect access to credit through tight underwriting standards. The Urban Institute has analyzed and convened forums on emerging issues in mortgage servicing, including calls for reforms, the impact of mortgage regulation, the rise of nonbank servicers, and the implications for consumers and communities. We determined that a focused effort that involves external stakeholders and resources could lead the way in developing policy and structural recommendations and bring visibility to the important issues that lie ahead.

The MSC has convened key industry stakeholders—including lenders, servicers, consumer groups, civil rights organizations, academics, and regulators—to develop an evidence-based understanding of important factors and to develop and analyze solutions and implications with a well-rounded and actionable orientation.

The MSC seeks to

- bring new evidence, data, and recommendations to the forefront;
- foster debate and analysis on issues from regulatory reform, technology innovations, cost containment, and consumer access to mortgages; and
- produce and disseminate our research findings and policy recommendations—including perspectives by MSC members—to offer policy options that can clarify and advance the debate and ensure servicing is addressed in broader housing finance reform.

For more information about the MSC or to see other publications, news, and products, visit the MSC program page, <https://www.urban.org/policy-centers/housing-finance-policy-center/projects/mortgage-servicing-collaborative>.

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Introduction

A cost-efficient and consumer-friendly mortgage finance system depends on the smooth and timely exchange of information across multiple stakeholders, such as lenders, servicers, borrowers, loan guarantors and insurers, consumer advocates, and regulators. Data exchanges require significant coordination between these institutions as the loan progresses from application to closing to post-closing and servicing. In today's digital age, this exchange of data is carried out by information technology (IT) systems that communicate fluently between one another without compromising data quality. At the same time, with a multitude of diverse organizations—each having different business models and custom IT infrastructures, as well as different reporting and accounting requirements—the definition of *data attributes*, or the way data are organized and stored, can vary from one entity to another. One entity may interpret a data element differently than another entity, making it difficult to exchange data reliably and accurately. Often, this requires data attributes to be processed to ensure comparability across organizations. In the mortgage industry, where a loan is characterized by hundreds or thousands of data attributes, this can be a complex, time-consuming, and costly process.

The mortgage industry recognized this problem in the early 2000s and began a multiyear effort to standardize the way mortgage data elements were structured, defined, and used. The Mortgage Industry Standards Maintenance Organization (MISMO)¹ was established as a collaboration between stakeholders to develop an industry-wide transparent data standard.² Under the MISMO standard, each data point has a standardized name and definition, as well as a format and a range of allowable values, which largely eliminates the risk of data being misinterpreted. A standard definition of data points and rigor around their use are central pillars of the standard. MISMO standards are periodically updated based on regulatory changes, industry input, and ongoing developments.

Implementing Uniform Data Standards in the Mortgage Industry: A Background

The availability of MISMO data standards is a necessary first step toward adoption but is insufficient. Industry participants must implement the standards, which requires significant planning, financial resources, and operational bandwidth and typically takes years. It also requires close collaboration between industry, regulators, vendors, MISMO, consumer advocates, and the agencies backing loans to agree on implementation guidelines. Among other things, these guidelines must identify the relevant subset of MISMO data points that will be adopted (which varies by agency and the scope of adoption), requirements around each data element (e.g., format, valid values, and whether a data element is mandatory, optional, or conditional), and technical specifications for data hierarchy and standard file formats for seamless movement of data. Feedback obtained during this process may even result in tweaks to the MISMO standards to make them work better. The last major step is to make necessary changes to IT systems and applications, followed by rigorous testing and eventual go-live. The availability of MISMO standards is only the first step of a multiyear process toward adoption.

The first major push for industry implementation of MISMO came in 2010. At the direction of the Federal Housing Finance Agency (FHFA), the government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac launched the Uniform Mortgage Data Program, a major long-term undertaking to implement MISMO data standards for mortgages they purchase (Fannie Mae 2014). Although MISMO includes thousands of data points that describe a mortgage loan from application through closing, recording, servicing, and payoff, its first implementation was limited to data points required for delivery of future loans to the GSEs. Thereafter, the GSEs and industry partners have gradually implemented uniform data standards for loan appraisal, closing, and collateral data. In recent years, the Federal Housing Administration³ and the US Department of Veterans Affairs (VA) have implemented MISMO standards for receiving appraisal data from originators (VBA 2014).

The 2010 announcement by Fannie Mae and Freddie Mac was a major catalyst for data standardization because the GSEs required it⁴ as a prerequisite to loan delivery. Given the GSEs' scale, size, and reach, this created a major incentive for originators to conform. Today, the use of uniform data standards for delivering loans to the GSEs is nearly universal, enabling fast and efficient transfers of accurate data between originators and the GSEs.

The Need for Uniform Data Standards for Servicing

To extend the benefits of standardization to servicing, Fannie Mae and Freddie Mac announced an effort to implement uniform servicing data standards in 2012. Once fully implemented, these standards could cover various aspects of servicing, starting from post-closing to delinquency, to a potential loan modification, short sale, property preservation, and foreclosure. Servicing a loan can take multiple conditional paths depending upon whether the loan becomes delinquent, what assistance the borrower receives, how the loan is modified, whether it reperforms, and whether it is resolved through a short sale or foreclosure. There are dozens of additional variables for such items as property condition, property maintenance, and escrows.

Because of this complexity, the 2012 GSE effort to implement uniform servicing data standards projected a substantial increase in the number of data points to approximately 1,500. About half of these were new—that is, they were not previously a part of the MISMO standards. To appreciate how major this initiative was, the GSEs' earlier effort to standardize loan delivery data included about 200 data points and took years to implement. Adopting servicing data standards would have been a massive undertaking requiring significant financial and operational resources and large IT systems changes. Considering this, and pressing mortgage market turmoil during the recession, the GSEs halted implementation of uniform servicing standards in 2013.

In 2014, the FHFA and the GSEs made a second, more targeted attempt to better understand the root causes of data and technology issues in servicing and to more generally engage with the industry to encourage and explore improvements (FHFA 2015). The Servicing Data Technology Initiative resulted in outreach and dialogue and helped the GSEs collect valuable industry input on servicing data and how

they flow across entities, as well as identify relevant issues. While this initiative was a useful fact-finding exercise, it did not result in material progress toward adopting uniform data standards.

The lack of standards has meant that the names of servicing-related data fields and their usage, definitions, and format can vary from one servicer to another. Because software systems are built around a data model, a lack of standards leads firms to build custom systems, complicating the flow of data from one entity to another. A common example is the routine transfer of loan data when mortgage servicing rights (MSRs) are sold. Moving large volumes of incompatible data from one entity to another is cumbersome and time consuming. Data lost or misinterpreted during the transfer can cause consumer harm or invite regulatory scrutiny, with the potential for fines.

More importantly, borrower harm caused by data inconsistencies and ambiguities can mean denial or delay in receiving loan modifications, erroneous foreclosures, or poor customer service. According to the J.D. Power 2018 Primary Mortgage Servicer Satisfaction Study,⁵ mortgage servicer customer satisfaction has remained stagnant⁶ over the past two years. The survey noted that the use of technology by mortgage customers declined 2 percent from 2016 to 2018. In addition, only 44 percent of servicer customers reported using online tools versus 74 percent for credit card users and 77 percent for retail banking. Smartphone use in mortgage servicing also lags, with just 20 percent of servicing customers using mobile technology, much lower than 39 percent for credit card users and 55 percent for retail banking customers.

The need for uniform servicing data standards was one of the key take-aways from an FHFA survey of mortgage servicing industry participants (FHFA 2018). Sixty percent of responding firms said that ensuring data accuracy and completeness were the biggest challenges during servicing transfers, and 60 percent highlighted a lack of alignment and high variance in data requirements across stakeholders as the main barriers to implementing servicing standards. Respondents further stated that the GSEs may be best positioned to drive data standardization efforts industry-wide.

The cost to service a mortgage has skyrocketed since 2008, tripling for performing loans and increasing fivefold for nonperforming loans. In our view, standardized servicing data will not only help rein in those costs but will also lay a foundation for game-changing innovation down the road. The advancements and efficiencies we have witnessed on the origination side of the mortgage business, which were made possible by uniform loan delivery data, are a case in point.

This brief is an effort to encourage all stakeholders to resume the work that was halted in 2013. We first discuss benefits for servicers and consumers in light of postcrisis industry and regulatory changes. We then discuss barriers to implementation and how to overcome them and explain why now is the right time. Our main take-away is that adopting uniform servicing data standards must be viewed as a long-term investment rather than a near-term expense. This investment, which will require strong stakeholder commitment, will go well beyond reducing costs and risks for servicers and improving customer satisfaction.

Benefits of Uniform Servicing Data Standards

Better data standards would bring several benefits for servicers and their customers.

Improved Servicing Transfer and Subservicing Processes

When servicing rights are sold, the buyer must onboard large volumes of loan servicing data onto its IT systems. Because there are no uniform servicing data standards, the first step typically is to analyze, field by field, differences in definitions and formats. Depending on how large this variance is, whether subservicers and outside vendors are involved, and how incompatible their data structures are, hundreds of data elements may need to be mapped and processed to ensure no information is lost during transfer. This typically involves large teams of data analysts, software developers, and subject-matter experts and can take weeks or months to complete. Standards can help minimize data inconsistencies and the expenses needed to mitigate them.

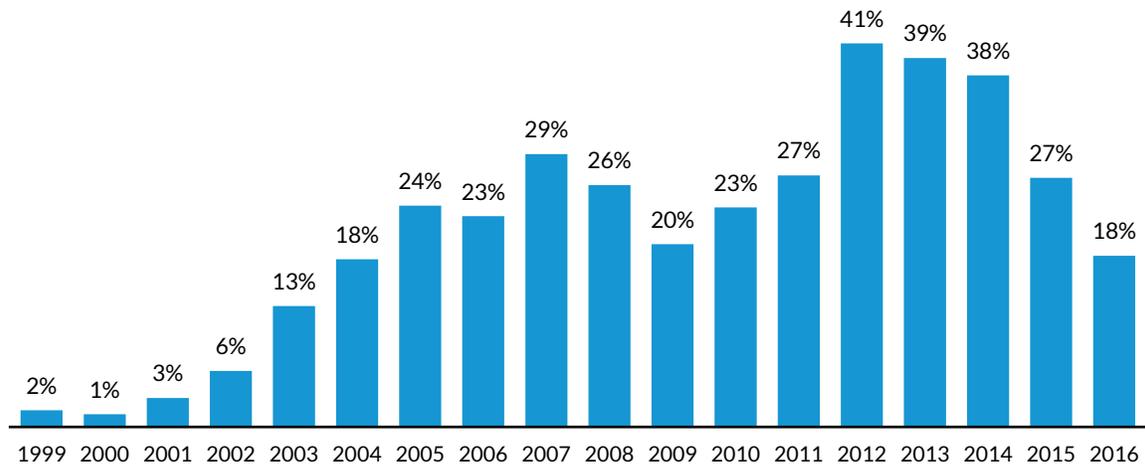
This issue surfaced during the foreclosure crisis, when hundreds of billions of dollars of servicing portfolios were transferred from one servicer to another in a short period (Kaul and Goodman 2016). Some were affected by widespread data errors that led to borrower harm through missed opportunities for loss mitigation, misapplication of escrow payments, or erroneous fees. Servicers incurred significant financial costs, penalties, and reputational harm (OIG 2014).

Although MSR transfer activity has declined from its 2012–13 peak, the share of newly originated loans whose servicing is transferred remains elevated. Figure 1 is based on single-family loan-level data made available by Fannie Mae and Freddie Mac in support of their credit-risk transfer initiatives. Although these data are limited to fixed-rate, full-documentation, fully amortizing mortgages purchased by the GSEs, they show that nearly 18 percent of reported GSE-backed originations in 2016 had their servicing transferred. Although this is less than the roughly 40 percent observed from 2012 to 2014, it suggests that the risk of data errors and the potential for borrower harm is still considerable.

These numbers do not include instances where servicing is transferred at the same time the loan is sold to the GSEs. These “concurrent transfers” have become more common. Furthermore, servicing transfer volumes will likely rise during the next crisis, as servicers look to transfer delinquent loans to specialized servicers. Having standards in place in advance would ensure the industry is better prepared to handle that surge in volume.

FIGURE 1

Share of GSE Loans Whose Servicing Was Transferred, by Origination Year



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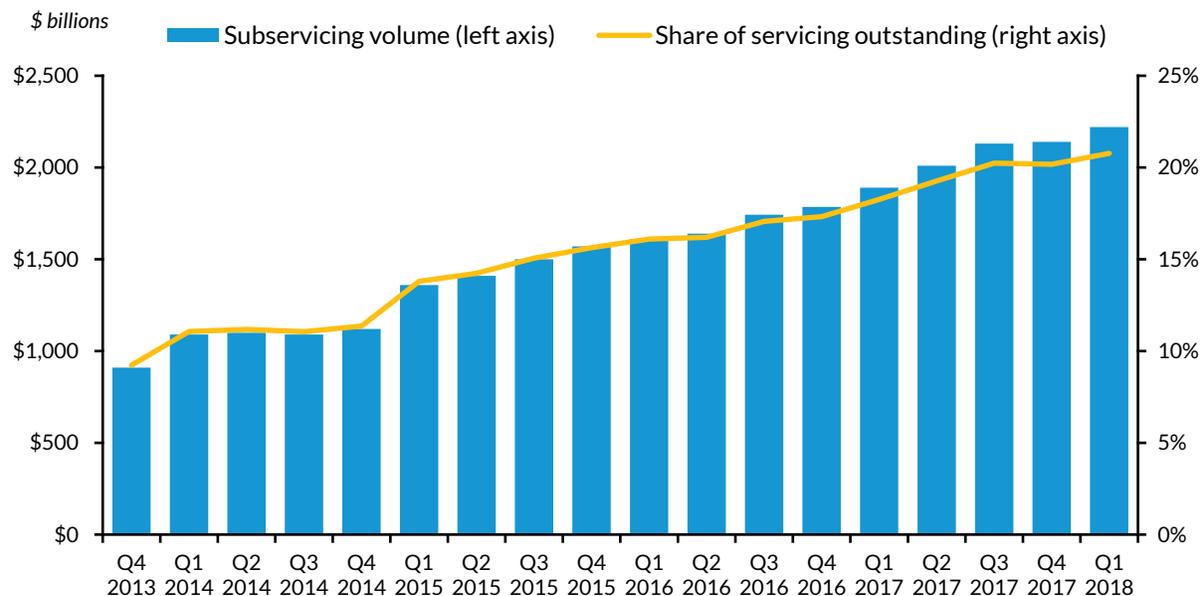
Source: GSE loan-level credit data.

Notes: GSE = government-sponsored enterprise. The GSE credit data are limited to fixed-rate, full-documentation, fully amortizing mortgage loans. Adjustable-rate mortgages and Relief Refinance Mortgages are not included.

Postcrisis, we have also seen significant growth in subservicing. According to Inside Mortgage Finance, about \$2.2 trillion, or 21 percent of the \$10.6 trillion in single-family unpaid principal balance outstanding, is subserviced today (figure 2). Subservicers do not own servicing rights but perform all day-to-day servicing of the loans for a fee. Large volumes of loan data are transferred to the subservicer when a new subservicing arrangement is put in place or when subservicers are changed. A prime servicer may have contractual arrangements with multiple subservicers, or a subservicer may service for multiple prime servicers. Standards can greatly facilitate efficient and accurate flow of data between these entities.

FIGURE 2

Single-Family Subservicing Volume and Share of Total Servicing Outstanding



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Source: Inside Mortgage Finance.

Note: Q = quarter.

With subservicing and MSR transfer activity remaining elevated, adopting a common data standard would cut down the risks and costs associated with sending and receiving data. A uniform servicing data standard would establish a common language between industry stakeholders. With better rigor, the likelihood of errors and inaccuracies would be reduced, as would be the potential for borrower harm and poor customer service. The transfer process would become much simpler, faster, and less expensive, as there would be almost no need for extensive data processing and validation.

Greater Innovation, Automation, and Lower Costs

Another benefit of data standards is that they can foster innovation. Over the past decade, the entire financial services industry has been disrupted by technological innovations that have revolutionized the way financial transactions are conducted. We have also seen innovation on the origination side of the mortgage business that has allowed the GSEs to receive and process loan data electronically. This helped control costs by reducing the need for data processing and verification and paved the way for major advancements, such as automated verification of borrower income and assets, and the development of more sophisticated automated underwriting, risk management, and home valuation models. The GSEs’ ability to relieve lenders from certain origination representations and warranties was made possible in large part by better-quality origination data that they collect under the uniform loan delivery standards. Other benefits include improved accuracy of loan underwriting, reduced repurchase risk for lenders, and shorter loan closing times for borrowers (Fuster et al. 2018).

None of these innovations were foreseeable when the industry adopted data standards for loan delivery. Similarly, it is hard to foresee the specific advancements that would take place if servicing data were standardized, but high-quality data are clearly a prerequisite. This is likely one reason why the servicing space has not seen game-changing innovations. Standard data would give technology innovators a baseline data model around which they could build more intelligent applications that produce better customer insight or enable efficient communication with delinquent borrowers. Such innovation is nearly impossible in today's world of custom data. A second crucial advantage of standards is that servicers could more easily switch technology vendors without the complexity and risk associated with migrating underlying data. Having this flexibility would free servicers from getting locked into one vendor, thus encouraging greater competition between vendors.

Better, More Accurate Pricing for MSRs

Error-free data transfer would result in additional cost savings when mortgage servicing rights are valued in the open market. MSR buyers decide how much to pay for a servicing portfolio based on model estimates of MSR value. These models are driven by assumptions about dozens of variables, such as interest rates, probability of default, cost to service, and prepayments. To the extent an MSR buyer is concerned about uncertain costs and risks of data errors encountered post-transfer, its models would estimate a lower value for the MSR.

This is critical because live MSR pricing is factored into the mortgage rate prospective borrowers are quoted. The lower the price originators expect to receive when selling MSRs for a newly originated loan, the higher the mortgage rate is, all else equal. This risk is likely low presently because of stable MSR transfer volumes and few defaults, both of which reduce the risk of data errors. But when defaults rise in the next downturn or the next wave of MSR transfers arrives, as it did from 2012 to 2015, the likelihood of data errors will also increase. By investing in necessary changes today to effectively manage the next default cycle, the servicing market can reduce its long-term risks and costs and provide better customer service in good times and bad.

More Efficient Regulatory Reporting

Mortgage servicers are required to submit periodic reports to regulatory agencies concerning their financial position, portfolio performance, and delinquencies. The volume of such reporting increased substantially following the Bureau of Consumer Financial Protection's 2013 amendment to Regulation X of the Real Estate Settlement Procedures Act.⁷ In addition, the agencies backing the loan—Fannie Mae, Freddie Mac, and Ginnie Mae—require reporting as part of their counterparty risk management. This reporting varies from agency to agency in terms of data definitions, which data points and metrics to report, and how frequently to report. Historically, regulatory reporting has worked as follows: servicers submit data and reports to regulators and wait for a response indicating the data were accepted or rejected, what was missing, and what needs to be resubmitted.⁸ With the expansion of regulatory reporting postcrisis, the number of data points has increased significantly. In response, servicers have doubled or tripled their compliance staff, increasing costs (FHFA 2018).

Standardization could reduce the need for such checks, as more reporting tasks could be automated. Some variation in reporting requirements is to be expected, given the agencies have different borrower and counterparty risk exposures. But moving to a common data standard would reduce the degree to which data elements have to be custom programmed to conform to each agency's requirements. This error-prone process increases the risk of noncompliance and can compromise the quality of regulatory reporting.

Barriers to Implementing Servicing Data Standards

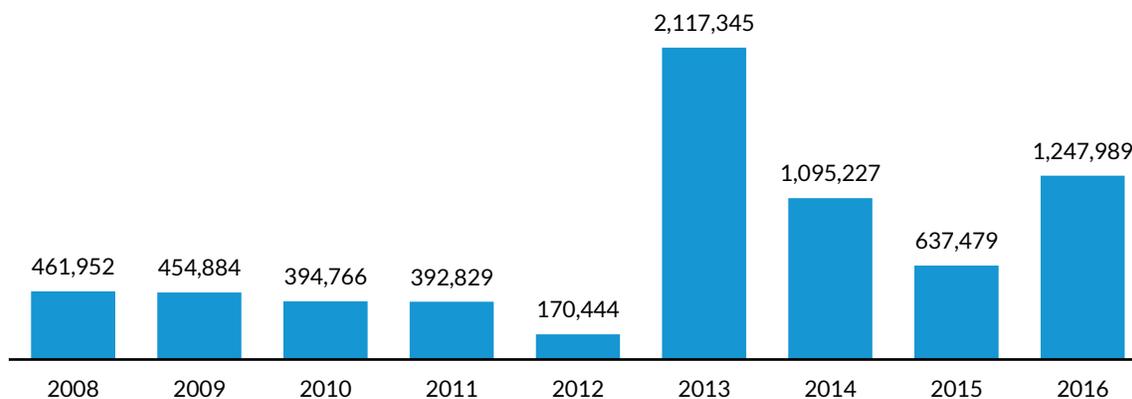
To facilitate adoption of uniform servicing data standards, Fannie Mae and Freddie Mac, at the direction of the FHFA in 2012, announced a joint effort to develop the Uniform Mortgage Servicing Dataset (UMSD),⁹ an initiative to drive industry implementation of MISMO's servicing data standards in the same way the GSEs had led implementation of loan delivery data standards. The goal was also similar—to create a standard for efficient and accurate data exchange between stakeholders. But in response to industry feedback, the GSEs halted the implementation of the UMSD in 2013. That decision remains in effect today. There were two main barriers to implementation.

Significant Servicer Stress during the Recession

In the years following the housing bubble, the servicing industry was fully consumed by managing delinquent borrowers, completing foreclosures, and implementing new rules and regulations. The entire mortgage industry was facing an extremely inhospitable business environment when the UMSD was announced in 2012, with mounting defaults, rising foreclosures, and heavy losses industry-wide. The volume of MSR transfers was also skyrocketing, as banks were selling MSRs to comply with higher postcrisis capital requirements. Figure 3 shows the large increase in servicing transfer volume on a subset of the GSEs' book of business—fixed-rate, full-documentation, fully amortizing loans.

FIGURE 3

GSE Servicing Transfer Volume by Year of Transfer (Number of Loans)



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Source: GSE loan-level credit data.

Notes: GSE = government-sponsored enterprise. The GSE credit data are limited to fixed-rate, full-documentation, fully amortizing mortgage loans. Adjustable-rate mortgages and Relief Refinance Mortgages are not included.

Servicers who acquired these MSRs within a short span were stressed operationally as they integrated new servicing portfolios into their legacy operations. Adding to industry troubles was the rapidly escalating cost of servicing, up from an average of \$135 per loan in 2009 to \$314 per loan in 2013, according to the Mortgage Bankers Association. Given these pressing concerns during a period of mortgage market turmoil, there was almost no industry appetite for embarking on a major data standardization initiative.

The High Cost of Upgrade

For a long time, servicers have relied on proprietary technology and custom data models that are the foundation of their business operations. Many of these systems were developed decades ago and are heavily intertwined with other aspects of business. A move to uniform servicing data standards would be a broad undertaking with major implications for regulatory reporting applications, default management, customer support applications, and associated processes. This can easily cost tens of millions of dollars for large servicers and significantly more industry-wide. The proposed 2013 adoption of uniform servicing data standards would have further increased cost and complexity because of the large projected increase in the number of data points.

Overcoming Barriers to Implementation

Before the housing crisis, servicing was a smaller and simpler function, consisting of generating monthly statements, processing payments, keeping track of escrows, and limited regulatory reporting. For the small share of borrowers that went delinquent, servicers had limited operational infrastructure for loss

mitigation. A lack of high-quality standardized data likely also contributed to delays in building and implementing loss mitigation systems during the last crisis and slowed down efforts to assist distressed borrowers.

Because of postcrisis regulatory and industry changes, servicing has improved. But it has also become more prescriptive, complex, and tightly regulated. The GSEs, the Federal Housing Administration, the US Department of Veterans Affairs, and the US Department of Agriculture have enhanced the requirements servicers of their mortgages must adhere to. This includes sophisticated loss mitigation toolkits with multiple assistance options, varying borrower eligibility for each option, documentation and reporting requirements. The consumer protection aspects of servicing are covered by entirely different regulations administered and enforced by the Bureau of Consumer Financial Protection's Mortgage Servicing Rule,¹⁰ also finalized postcrisis. Lastly, regulatory reporting requirements are more detail oriented today than ever before.

These sweeping changes have significantly expanded the scope of work servicers must perform and increased the complexity of tasks. There is more to gain in scale and efficiency than was the case previously. Another change is rapid advancements in technology, such as Blockchain, cloud computing, and artificial intelligence. These developments have made it possible to gain insights from large volumes of data at a low cost. With cloud computing, businesses no longer need to buy expensive hardware and servers to run applications. They can instead buy computing resources on the cloud for less. With standardized data, servicers will find it easier to deploy artificial intelligence technologies to mine data for deep customer insights. Data standards will also pave the way for innovations like Blockchain, which could become the way the life of a loan is tracked in the future. This could help regulators access activities at the transaction level in a more efficient and secure manner. Thus, while adoption of data standards will cost a lot in the short term, the likely payoff is far greater today than at any time in the past.

Additionally, there are ways to keep costs down by adopting standards in a piecemeal fashion, starting with the highest-impact areas that offer the greatest potential for improving customer service. One such area is servicing transfers. Most stakeholders agree that the transfer process is costly for servicers and prone to cause borrower harm. Adopting uniform data standards for MSR transfer-related functions may therefore be a worthwhile place to start. Adoption costs could also be mitigated by implementing standards on a go-forward basis—that is, only for loans originated after a certain cutoff date. Doing so would lower the high cost of migrating legacy loan data to the new standard.

Beyond servicing, efforts to standardize data concerning other stages of the mortgage life cycle are expected to continue. Ginnie Mae recently released its strategic 2020 vision, which includes plans to implement data and technology enhancements, including the adoption of MISMO (Ginnie Mae 2018). Specifically, Ginnie Mae will accept digital promissory notes as the basis for its securities by leveraging MISMO's eMortgage data standards. Ginnie Mae will also adopt MISMO standards for receiving borrower, property, and loan data from its pool issuers, many of whom are also servicers. Issuers that adopt MISMO for sending pool data to Ginnie Mae but retain a proprietary data model for loan

servicing are likely to face higher costs associated with managing multiple data formats and definitions internally. They will also have a greater need to process, tweak, and adjust data to ensure compatibility.

Similarly, the VA announced earlier this year¹¹ an initiative to upgrade and modernize its loan oversight system. These enhancements will improve the servicing, loss mitigation, and liquidation of VA-guaranteed loans by adopting MISMO standards for reporting and data transfer associated with these functions. As the industry works to comply with these changes, the MISMO standards will further cement their role in the mortgage market. Over time, as more segments of the market adopt data standards, the complexity and cost of doing business for those that do not will continue to rise.

Conclusion

Today, 10 years after the worst financial crisis in a generation, the mortgage industry is stronger financially, with firms improving profitability and customer satisfaction. Because most of the postcrisis regulatory overhaul is behind us, because delinquencies are low, and because the industry is no longer operating in turmoil, we believe now is the right time to implement uniform servicing data standards. Additionally, the present favorable economic environment will not last forever. In this brief, we have highlighted the main benefits of servicing data standards and how they can lead to better outcomes for servicers and customers in the long run. What is required is strong commitment from the industry, the FHFA, and the GSEs to complete this work. We urge all stakeholders to resume this effort before the next downturn arrives.

Notes

- ¹ “Residential Specifications,” MISMO, accessed November 1, 2018, <http://www.mismo.org/standards-and-resources/residential-specifications>.
- ² MISMO is a standards development body that provides a common language for transferring data between parties in the mortgage finance industry. MISMO’s reference model comprises three components: a logical data dictionary, an internet-based Extensible Markup Language schema for data representation, and formatting guidelines for digital documents. These tools ensure ease of data transfers between organizations’ information systems.
- ³ Biniam Gebre, “Electronic Appraisal Delivery (EAD) Portal for Federal Housing Administration (FHA)–Insured Single-Family Mortgages,” mortgagee letter to all FHA-approved single-family mortgagees and all FHA roster appraisers, March 26, 2015, <https://www.hud.gov/sites/documents/15-08ML.PDF>.
- ⁴ Susan Graham, “Lock In the MISMO Advantage: Standardizing Data Increases Business Opportunities,” *Scotsman Guide*, July 2017, <http://www.sg-resdigital.com/resdigital/201707re?pg=77#pg77>.
- ⁵ The 2018 US Primary Mortgage Servicer Satisfaction Study measures customer satisfaction with the mortgage servicing experience in six factors: new customer orientation, billing and payment process, escrow account administration, interaction, mortgage fees, and communications. The study is based on responses from 7,776 customers who originated or refinanced more than 12 months ago. It was fielded in March and April 2018.
- ⁶ J.D. Power, “Mortgage Servicer Satisfaction Remains Unchanged Despite Mortgage Companies’ Investment in Technology, J.D. Power Finds,” press release, July 26, 2018, <http://www.jdpower.com/business/press-releases/2018-primary-mortgage-servicer-satisfaction-study>.

- ⁷ “Mortgage Servicing Rule under the Real Estate Settlement Procedures Act (Regulation X),” Bureau of Consumer Financial Protection, accessed November 1, 2018, <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/2013-real-estate-settlement-procedures-act-regulation-x-and-truth-lending-act-regulation-z-mortgage-servicing-final-rules/>.
- ⁸ Matt Seu, “Data Standards Make a Uniform Shift: Will Standardization across the GSEs Improve Bankers’ Business?” *Scotsman Guide*, October 2012, <http://www.actualizeconsulting.com/uploads/1/6/8/0/16806736/seures1012.pdf>.
- ⁹ “Uniform Mortgage Servicing Dataset Overview,” Freddie Mac, December 12, 2012, http://www.freddie.com/singlefamily/news/2012/1212_uniform_dataset.html.
- ¹⁰ “Title XIV Rules: Mortgage Servicing,” Consumer Financial Protection Bureau, accessed November 1, 2018, <https://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/mortserv/>.
- ¹¹ Accenture, “Accenture Federal Services Wins Contract for US Department of Veterans Affairs Loan Guaranty Service Redesign,” news release, February 8, 2018, <https://newsroom.accenture.com/news/accenture-federal-services-wins-contract-for-us-department-of-veterans-affairs-loan-guaranty-service-redesign.htm>.

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Karan Kaul researches topical housing finance issues to highlight the market impact of ongoing regulatory, industry, and related developments. He is also responsible for monitoring and reporting on mortgage market trends and current events weekly. He brings a deep understanding of key reform issues, political landscape surrounding reform, and pros and cons of different approaches concerning their impact on mortgage rates, credit availability, private capital, and other factors. Kaul came to Urban after five years at Freddie Mac, where he worked on various housing policy issues primarily related to the future of housing finance and the reform of the government-sponsored enterprises. Before Freddie Mac, Kaul worked as a research analyst covering financial institutions. He holds a bachelor's degree in electrical engineering and an MBA from the University of Maryland, College Park.



Alanna McCargo is vice president for housing finance policy at the Urban Institute, where she focuses on management, development, and strategy for the Housing Finance Policy Center, including the cultivation of innovative partnerships within Urban and with external stakeholders. McCargo has over 20 years of experience in housing finance, policy, and financial services. She has worked in the private, public, and nonprofit sectors on programs, policies, and research to improve access to housing and mortgage finance. Before joining Urban, McCargo was head of CoreLogic Government Solutions, working with federal and state government agencies, regulators, government-sponsored enterprises, think tanks, and universities to deliver custom data, analytics, and technology solutions to support housing and consumer policy research. Previously, McCargo held leadership roles with Chase and Fannie Mae, managing portfolios, policy efforts, and mortgage servicing transformation and alignment. From 2008 to 2011, she was an agent of the US Treasury Department on housing programs, such as Making Home Affordable and Hardest Hit Funds, working with industry stakeholders on the recovery. McCargo serves on nonprofit boards and committees, focusing on her passion for helping underserved populations with financial literacy, economic stability, and housing security. She works with Doorways for Women and Families, Women in Housing and Finance, and DC Habitat for Humanity. McCargo has a BA in communications from the University of Houston, an MBA from the University of Maryland, and an executive certificate in nonprofit management from Georgetown University's McCourt School of Public Policy.



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