



FEDERAL HOUSING FINANCE AGENCY
Office of the Director

June 5, 2009

Mr. Neil Milner, CAE
President and Chief Executive Officer
Conference of State Bank Supervisors
1155 Connecticut Ave, NW
Washington, DC 20036-4306

Dear Mr. Milner:

On January 15, 2009, the Federal Housing Finance Agency (FHFA) announced that effective with mortgage applications taken on or after January 1, 2010, both Freddie Mac and Fannie Mae will collect loan-level identifiers for the loan originators, loan origination companies, field appraisers and supervisory appraisers. These requirements are in response to Title V of the Housing and Economic Recovery Act of 2008, the S.A.F.E. Mortgage Licensing Act (SAFE Act) that was enacted on July 30, 2008.

The purposes of FHFA's requirements are to prevent mortgage fraud and predatory lending and ensure that mortgages owned or guaranteed by the Enterprises are originated by individuals and mortgage companies who have complied with the applicable licensing and education requirements under the SAFE Act. The Enterprises also will use the data collected to help identify and mitigate mortgage fraud in their books of business.

Since our January 15 announcement, both GSEs have been working diligently to prepare their systems to accommodate these data collection requirements. Concurrent with the GSEs' efforts, we know that the Conference of State Bank Supervisors (CSBS) continues to implement its nationwide licensing and registration system and regulatory standards for mortgage brokers and originators. Obtaining nationwide registration not only of all loan originators but of mortgage origination companies is good public policy. As part of our effort to achieve this result, we plan to require the GSEs to accept mortgage product only from mortgage companies who register under the Nationwide Mortgage Licensing System (NMLS). Such action will provide increased accountability, enhance consumer protections and support anti-fraud measures. I hope that the CSBS will be successful in obtaining NMLS registrations of mortgage companies from all 50 states.

I look forward to our continuing work on this program and support your efforts to achieve nationwide implementation of the NMLS in the coming months. I appreciate the input that

CSBS has provided to my staff as we pursue GSE implementation of our requirements.

Please feel free to contact me with any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Edward J. DoMando for".

James B. Lockhart III
Director, Federal Housing Finance Agency
Chairman, FHF Oversight Board