



MORTGAGE BANKERS ASSOCIATION

February 21, 2017

Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

RE: CFPB-2016-0048: Request for Information Regarding Consumer Access to Financial Records

Dear Ms. Jackson,

The Mortgage Bankers Association (MBA)¹ appreciates this opportunity to respond to the Consumer Financial Protection Bureau's (CFPB) Request for Information (RFI) about consumer rights to access financial account and account-related data in usable electronic form. At this time MBA urges the CFPB to refrain from issuing rules or guidance on this subject until there is more consensus around the results of the many collaborative frameworks and agreements already underway. New approaches are still being developed and it is important that institutions be afforded the flexibility to develop solutions that best fit the needs of their customers and business.

Data Aggregation and the Mortgage Industry

The utilization of consumer-permissioned data is yielding significant benefits for both borrowers and mortgage lenders. In recent years, some mortgage lenders have moved toward a more comprehensive online mortgage application that provides borrowers with the option to allow electronic access to various financial accounts to validate key underwriting information. This permissioned-access to near real-time account information means that the process of applying for a loan is significantly faster and far less cumbersome and stressful. Borrowers are able to receive better information about their loan options faster and can have more confidence in the early information provided to them.

Lenders also benefit from more direct access as information provided by the borrower can be verified quickly and with a greater degree of certainty, improving the overall quality of underwriting. Additional documentation needs are also likely to be identified and addressed earlier in the process reducing the likelihood of surprises during underwriting. Finally, minimizing a lender's reliance on paper documents also minimizes many forms of operational risks, including human error and mortgage fraud.

Approaches are Being Developed and Regulatory Intervention Could Impede Progress

The expansion of the number of tools, services, and products that rely on consumer-permissioned data has highlighted the need to address several important issues related to data availability, security and privacy. Fortunately, there are many efforts already underway to resolve these concerns.

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: www.mba.org.

Several financial institutions have already reached individual agreements with data aggregators and financial technology companies to safely and securely allow for consumer-permissioned access to account data through structured data feeds.² There is also work underway to develop broader standards for the financial services industry as evidenced by the recently released paper from the Center for Financial Services Innovation, "Consumer Data Sharing Principles: A Framework for Industry-Wide Collaboration."³ That paper is the product of collaboration between a broad spectrum of stakeholders including financial institutions, regulators, aggregators and financial technology companies.

It should be noted that these conversations and solutions are developing rapidly. Consequently, even the most well-intentioned regulatory intervention might, at this time, serve only to limit innovation and slow the development of superior solutions and approaches. MBA strongly encourages the CFPB to monitor the results of these existing collaborations before considering any intervention.

The Need for Flexibility

Although there is a clear interest in developing workable solutions for providing and using consumer-permissioned data, it is also clear that there remains a strong desire for institutions to have the flexibility to identify a solution that works best for its customers and business. It will also be important to monitor and understand the results of these agreements and frameworks as it is possible that refinements will be needed. These agreements and approaches are too new to risk introducing a standard that prohibits efforts to utilize potentially superior solutions.

It should also be noted that these individual agreements and frameworks do not preclude efforts to continue to work toward a more uniform solution.

Thank you for your consideration of these comments. MBA looks forward to working with the CFPB to explore the opportunities and challenges associated with the utilization of consumer-permissioned account information in the mortgage industry. For additional information or questions, please contact MBA's Vice President and Regulatory Counsel, Ken Markison at (202) 557-2930 or MBA's Assistant Regulatory Counsel, Elizabeth Kemp at (202) 557-2941.

Sincerely,



Pete Mills
Senior Vice President
Residential Policy and Membership Engagement

² Finovate.com, "Xero Partners with 60th Financial Institution to Offer Direct Feeds," July 12, 2016, available at <http://finovate.com/xero-partners-commonwealth-bank/>; see also Wall Street Journal, "J.P. Morgan, Intuit Give Mint, TurboTax Customers Wider Access to Bank Data," January 25, 2017, available at <https://www.wsj.com/articles/j-p-morgan-intuit-give-mint-turbotax-customers-wider-access-to-bank-data-1485340204>

³ Center for Financial Services Innovation, "CFSI's Consumer Data Sharing Principles: A Framework for Industry-Wide Collaboration," October 2016, available at <http://www.cfsinnovation.com/getattachment/News-Stories/New-Research!-Consumer-Data-Sharing-Principles-A-F/2016-Consumer-Data-Sharing-CDAWG-white-paper-Final.pdf>