



Process loans, not paperwork.™

May 27, 2014

The Honorable Richard Cordray  
Director  
Consumer Financial Protection Bureau  
1700 G Street, N.W.  
Washington, D.C. 20552

Re: Universal Loan Identifier

Dear Director Cordray:

On behalf of MERSCORP Holdings, Inc.<sup>1</sup>, a 5,000 member strong mortgage industry utility, I write concerning the proposal to implement a “universal loan identifier” across residential mortgage loans. This identifier will have broad reach and impact, including potentially HMDA reporting, the CFPB-FHFA mortgage loan database, the new Closing Disclosure Form and eClosings, among other things. It will be visible to consumers and its implementation will impact every loan origination and servicing system in the nation.

It is for this reason we urge you to consider leveraging existing industry capabilities, in particular the Mortgage Identification Number (“MIN”) already being used today from origination to payoff on approximately 65% of all residential mortgage loans<sup>2</sup>.

Following is a short summary of why the MIN deserves serious consideration.

**The MIN is:**

**The de facto industry standard.** The MIN is in use by Fannie Mae, Freddie Mac, Ginnie Mae and over 5,000 other MERS® System Members (including over 90% of the top 100 originators and servicers). The MIN is incorporated into every mortgage loan origination and servicing system. The MIN is typically issued at origination and remains unchanged over the life of the loan. It can be assigned as early as the loan application. For MERS loans, the MIN is on the mortgage instrument recorded in the local land records, and tracked on the MERS® System.

**A critical element in the future: eClosings.** The MIN, and registration on the MERS® eRegistry system, is required by the GSEs for all eNotes. The MIN and MERS® eRegistry will be included in the upcoming CFPB electronic closing pilots.

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<sup>1</sup> MERSCORP Holdings, Inc. is a privately held corporation that owns and manages the MERS® System, the MERS® eRegistry and all other MERS® products. It is a member-based organization made up of thousands of lenders, servicers, sub-servicers, investors and government institutions. Mortgage Electronic Registration Systems, Inc. (MERS) serves as the mortgagee in the land records for loans registered on the MERS® System, and is a nominee (or agent) for the owner of the promissory note. The MERS® System is a national electronic database that tracks changes in mortgage servicing and beneficial ownership interests in residential mortgage loans on behalf of its members. The MERS® eRegistry is an electronic registry that is the system of record for the ownership of eNotes (i.e., transferable records under ESIGN and UETA).

<sup>2</sup> For a brief technical description of the MIN, please refer to [this article](#) on our corporate website.

**Less disruptive to consumers.** Any alternative to the MIN would introduce a new and additional identifier as consumers already have originator and/or servicer's proprietary loan numbers, the MIN, and now potentially an additional identifier to understand and manage. This is ripe for confusion. The MIN is a simple, numeric construct, easier to handle and input into telephone, mobile or computer interfaces than alphanumeric alternatives.

**Lower cost and faster to implement.** Since the MIN and related infrastructure are already operating and in use on 65% of all mortgages, the time and cost to implement a "universal" solution would be a fraction of a de novo solution. The MIN is on 83 million existing loans. A new solution would start from scratch. The MIN is also complementary to the digital object identifier (DOI) solution being considered by some regulators for other asset classes.

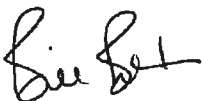
**Supported by a secure, highly available, proven registry.** To ensure uniqueness, conformity with standards, and linkage to key information (e.g., a unique organization identifier, borrower, or servicer) a unique identifier must be tied to a registry of those identifiers. The MIN is supported by the MERS® System, a registry with over 15 years of proven capability, built on a high-availability infrastructure, which is secure, scalable, and redundant. Replicating this capability would be timely, costly, complex and redundant.

**A non-proprietary solution governed and owned by an industry utility.** The MIN is owned and managed by MERSCORP Holdings, which in turn is owned and governed by its members who represent a broad cross section of the real estate finance industry. MERSCORP Holdings is not profit or share-price motivated; it is a service driven utility.

There have been some critics of the MIN<sup>3</sup> who say that it should not be used because it is not on all loans and is primarily used on closed loans rather than at the time of application. While true, this is misleading, as the MIN is used on most loans today and can be used at the time of application. *Critics of the MIN offer no alternative solution because there is none.* The MIN is the only existing, cost-effective industry solution. Before concluding that a new identifier needs to be built and deployed (with all the attending costs and disruption), we think that discussions should be undertaken to explore how the existing MIN and MERS® System registry might be used to meet the universal identifier needs.

We would appreciate the opportunity to meet with you or you representatives to discuss these capabilities in more detail.

Regards,



Bill Beckmann  
President & CEO

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<sup>3</sup> Joint Trade Association Comment Letter on the Small Business Review Panel for the HMDA Rulemaking from AFSA and CMC, dated May 12, 2014.