

CUSTOMER STORY

CSS and Fannie Mae use Vendia to unlock faster loan securitization and reduce risks



Discrepancy resolution in **seconds, not months**

80% reduction in manual triage

Increased trust among key loan stakeholders

INDUSTRY

Financial services

LINE OF BUSINESS

Mortgage servicing

USE CASES

Loan securitization

KEY CAPABILITIES

- Distributed ledger technology
- Low-code integrations
- Fine-grained access controls
- Smart contract automation

Common Securitization Solutions (CSS) is a joint venture between Fannie Mae and Freddie Mac created to deliver innovation across the secondary mortgage market. CSS supports the issuance of more than \$400B in mortgage securities each month, generating consistent and necessary liquidity for the United States housing market. Today, it manages 70 percent of U.S. mortgage securities, 49 percent of all U.S. asset-backed securities, and 40 percent of global securitization.

CHALLENGE

Costly data errors expose loan servicing partners to bottom-line and regulatory risks

Mortgage payments may seem like straightforward transactions between borrowers and lenders but each transaction is also shared across the loan servicing ecosystem to update payment and interest statuses, settle property taxes and insurance premiums, track mortgage transfers, and inform other related activities. In short: the accuracy, completeness, and transparency of transactions across parties is critical to a seamless loan servicing experience.

For CSS partners such as Fannie Mae, updating individual databases in lockstep with changes made by other lenders, servicers, and loan stakeholders across the ecosystem became a herculean undertaking. A lack of transparency between systems and partners often led to weeks, if not months, of manual reconciliation efforts. Costly data errors throughout the loan securitization process not only increased bottom-line and regulatory risks, but it also contributed to a subpar experience to all servicing stakeholders—including American homeowners.



SOLUTION

A golden record of seller servicing information available across partners and industry regulators

Setting out to solve these challenges, CSS and Fannie Mae partnered in search of a universal solution that could provide trusted, secure access to seller servicing reference information to all partners. Evaluating multiple vendors and tools, the right solution had to meet the following criteria:

- A highly flexible platform with a low barrier to entry; it needed to meet participants where they are with minimal impact on people and processes.
- Loan data and files must be shared, reconciled, and accessible across partners in real time.
- Access to an immutable transaction history across parties and systems to ensure trust and transparency at all times.

CSS and Fannie Mae found all this (and more!) with Vendia's data automation cloud. Delivering a pilot of the seller servicing solution in less than a month, a quick-launch node for another partner was then established to demonstrate the flexibility, ease, and speed of onboarding loan servicing participants.

OUTCOMES

Data discrepancies are resolved in seconds, not months

Accuracy, completeness, and up-to-date information are critical factors involved in decision making across mortgage services. With bidirectional connectivity and unified data modeling inside the Vendia platform, data reconciliation across systems, clouds, and business applications happens in real time—accelerating decision making while improving the loan securitization experience for homeowners.

Built on a distributed ledger foundation, Vendia also equips partners with full transaction lineage for a real-time view of risk exposure and cash-flow movements without any delay. Every partner can see the status of a transaction within seconds of it taking place—no matter what system or IT architecture it originates from.



80% reduction in manual triage and reactive communications

CSS partners and industry regulators not only have immediate visibility into accurate, updated servicing data but this access to a shared set of records further frees up resource capacity to focus on higher-value activities such as delinquency resolution.

Automated smart contracts eliminate information delays and errors between disjointed systems and manual processes, streamlining operational efficiencies across the partner network. Extinguishing the need for custom point-to-point integrations between multiple centralized data sources, CSS partners can use smart contracts to automate calculations and make principal, interest, and escrow disbursements in real time.

Increased trust among all loan securitization stakeholders

Establishing mutual trust across loan securitization is top priority for both CSS and Fannie Mae. Upon implementing Vendia, CSS partners experienced a significant reduction in seller servicing data discrepancies across the board, allowing CSS to securitize loans faster with less friction.

Distributed ledger consensus ensures all participants have a real-time copy of the same data, as well as access to immutable transaction lineage. This gives Fannie Mae the confidence needed to trust the integrity of the golden record while remaining synchronized with other CSS partners at all times.



About Vendia

Vendia is the future of collective data intelligence, combining smart APIs, databases, and distributed ledger technology inside a single platform. Vendia's data automation cloud makes it easy to share data inside and outside of the organization in real time and with full visibility, governance, and control. Companies such as BMW, Delta Airlines, Resolution Life Insurance, and Fannie Mae use Vendia to automate contextual and compliant data flows between any-to-any systems for a harmonized, accurate view of data that unlocks speed, innovation, and cost savings. Learn more about us at [Vendia.com](https://vendia.com) and [#UnchainYourData](https://twitter.com/UnchainYourData) with Vendia.