

From: John M Palatiello [mailto:john@mapps.org]
Sent: Friday, October 03, 2008 5:14 PM
Subject: geospatial standards: subprime mortgage crisis

Ms. Karen Evans
Administrator of the Office of Electronic Government and Information Technology
Executive Office of the President
Office of Management and Budget
Washington, DC

Dear Ms. Evans:

Re: The Need for National Property Data Standards

As the Administration embarks upon the most transformational national occurrence of our history, it must recognize the fact that the mortgage crisis that started the unraveling of several financial institutions on Wall Street could have been prevented. It was not prevented, however, because the United States lacks a property data structure that would have provided an early warning system.

Since 1980, the National Academy of Sciences has recommended a national parcel based land information system, "multipurpose cadastre", or coordinated property data that is essential to the successful implementation of any program that is based on the ownership and transfer of property (Need For A Multipurpose Cadastre, 1980). Had the system recommended by the Academy been in place, the Treasury, the Fed and other governmental institutions could have identified early signs that our mortgage market was facing a structural weakening. Small, inexpensive steps could have been taken that would have avoided the \$1 trillion+ reform solution now inevitable.

Currently, over 4,000 local governments maintain property data in various formats. This untenable morass of source location data prohibits the federal government from utilizing the information because it cannot be made "interoperable". Analysis of land ownership transactions, such as foreclosures, is virtually impossible to track due to the lack of a consistent data network. This "interoperability" problem is no different than the radio communications problem experienced by police, fire and EMS personnel on September 11.

If local governments maintained land property records according to an enforced common federal standard, property information would be accessible, organized, and current regardless of jurisdictional or political boundaries. Land property data, that includes but is not limited to value, loan type, loan status, and interests of real property, would be searchable, accessible and analyzable across the Nation.

In a subsequent report, the National Academy recognized the need for common data protocols for interoperability of land and property data (Procedures and Standards for a Multipurpose Cadastre, 1983)

The standardization of property data will allow the federal government to:

- Run automated analyses to track and investigate negative market movements before trends emerge, such as:
 - Foreclosures.
 - Loan/Tax defaults.
 - Land devaluation and inflation or deflation.
- Create visual representations of movements and trends on maps providing an early warning system.
- Manage property foreclosure inventory.
- Other benefits:
 - Easily locate flood plains, farmlands, power plants.
 - Manage federal land assets.
 - Map emergency logistical information.

Enforcement and implementation of a national property data standard will allow the federal government to create a multipurpose tracking system. The system would utilize data that counties currently collect and maintain. The federal government would also be able to use the data to maintain new policy integrity. This information should be considered part of the solution to the nation's current mortgage crisis and as part of the federal government's fiduciary duty to the American people.

The National Academy has again recommended a coordinated, interoperable national property system in a more recent report, (National Land Parcel Data: A Vision for the Future, 2007).

The report does NOT recommend a single, Federal land information system. Rather, it calls for better coordination of the data already resident in varying degrees at the municipal, tribal, state and county levels. The Academy recommends national standards for data compatibility. This would help ensure that the current crisis is not repeated, so our land ownership transactions are more efficient, and so that the government's fiduciary responsibility to the American people is performed with good data and an ability to identify and address small problems, rather than waiting until they become big problems. Finally, as an added benefit, such a system will provide invaluable information that can assist in the efficient performance of other important government functions such as local tax administration, zoning, economic development, and national priorities such as environmental protection (including climate change monitoring), energy and other resources development, and homeland security.

As you know, Section 216 of the E-Government Act of 2002 (44 USC 3501 note) provides OMB and the E-Government Administrator the authority to establish standards for collaboration and interoperability of geospatial data, including such standards on an intergovernmental (Federal, state and local) basis. This provision of law is as follows:

COMMON PROTOCOLS FOR GEOGRAPHIC INFORMATION SYSTEMS.

(a) Purposes.--The purposes of this section are to--

- (1) reduce redundant data collection and information; and
- (2) promote collaboration and use of standards for government geographic information.

(b) Definition.--In this section, the term "geographic information" means information systems that involve locational data, such as maps or other geospatial information resources.

(c) In General.--

(1) Common protocols.--The Administrator, in consultation with the Secretary of the Interior, working with the Director and through an interagency group, and working with private sector experts, State, local, and tribal governments, commercial and international standards groups, and other interested parties, shall facilitate the development of common protocols for the development, acquisition, maintenance, distribution, and application of geographic information. If practicable, the Administrator shall incorporate intergovernmental and public private geographic information partnerships into efforts under this subsection.

(2) Interagency group.--The interagency group referred to under paragraph (1) shall include representatives of the National Institute of Standards and Technology and other agencies.

(d) Director.--The Director shall oversee--

- (1) the interagency initiative to develop common protocols;
- (2) the coordination with State, local, and tribal governments, public private partnerships, and other interested persons on effective and efficient ways to align geographic information and develop common protocols; and
- (3) the adoption of common standards relating to the protocols.

(e) Common Protocols.--The common protocols shall be designed to--

- (1) maximize the degree to which unclassified geographic information from various sources can be made electronically compatible and accessible; and

(2) promote the development of interoperable geographic information systems technologies that shall--

(A) allow widespread, low-cost use and sharing of geographic data by Federal agencies, State, local, and tribal governments, and the public; and

(B) enable the enhancement of services using geographic data.

When considering administrative actions to address the current mortgage crisis, the Administration should immediately convene as meeting of the stakeholders listed in the E-Gov Act, utilize the authority provided in the Act, and develop the establishment of an integrated, inter-governmental land information system, or cadastre, based on compliance with a set of national land data standards. Compliance with such standards should be a condition and requirement of any unit of government's receipt of federal funds.

We respectfully urge you to act promptly under your existing authority. We look forward to working with you on this most critical issue and would be pleased to discuss this with you at your convenience.

Sincerely,

John M. Palatiello
MAPPs Executive Director
1760 Reston Parkway, Suite 515
Reston, VA 20190
john@mapps.org
www.mapps.org
(703) 787-6996