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New Tool Analyzes Agency Loans

Mortgage-data vendor **Recursion** is offering an investment tool for analyzing securitized agency loans on multi-family properties.

The product, dubbed Multi-Family Analyzer, allows users to access information about loans and properties underpinning CMBS deals issued by **Fannie Mae** and **Ginnie Mae** since 2000. The New York firm is in the process of expanding the data set with the addition of **Freddie Mac** K deals starting in the first quarter. **Recursion** already offers a similar tool, called Cohort Analyzer, covering residential mortgage bonds issued by the agencies, as well as a product called CRT Analyzer for credit-risk transfer deals referencing pools of agency home loans. The firm markets its products to buy-side and sell-side firms, including REITs and hedge funds that purchase agency securities.

The raw data is available free of charge on websites maintained by Fannie, Freddie and Ginnie — something the agencies have long touted as providing transparency and promoting liquidity in the agency RMBS market. Vendors such as Recursion are permitted to package and distribute the data to investors after receiving approval and paying the agencies royalty fees. On Oct. 1, **Recursion** was cleared to begin selling multi-family data.

Li Chang, a quantitative analyst who founded Recursion in 2015, said the volume of agency loan data is so great that most investors can't justify the expense of building and maintaining analytical tools in-house.

“You need data vendors because these databases are just too big and too complicated for regular users, while our tools allow users to query gigantic loan-level data by clicking through a graphic interface,” Li said. She added that Recursion also scrubs and supplements the data by tapping a separate database of agency lenders and service providers.

Multi-Family Analyzer provides information on every loan and property in agency securitization pools, including payment history, forbearance history and property financials.

Chang is a veteran of the mortgage-bond market, and her resume includes buy-side roles at **Altum Capital Management**, **Paulson & Co.** and **Citadel**. She also had a stint on the trading desk at **Bear Stearns**.