Fannie Mae

Single-Family Credit Risk Management

October 2022

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Overview

Credit Risk Management Strategy

Our Single-Family Business

Providing liquidity to the housing market and investment options to rates and credit investors.

Proceeds from sale of MBS flow back to lender to fund new loans

Lender
Originates loans.

Sells loans, services loans, pays guaranty fee.

Fannie Mae
Creates guaranteed MBS and non-guaranteed credit risk securities.

Securitizes loans. Guarantees principal & interest on MBS in exchange for guaranty fee.

MBS

Interest Rate Investor
Purchases MBS and assumes interest rate risk.

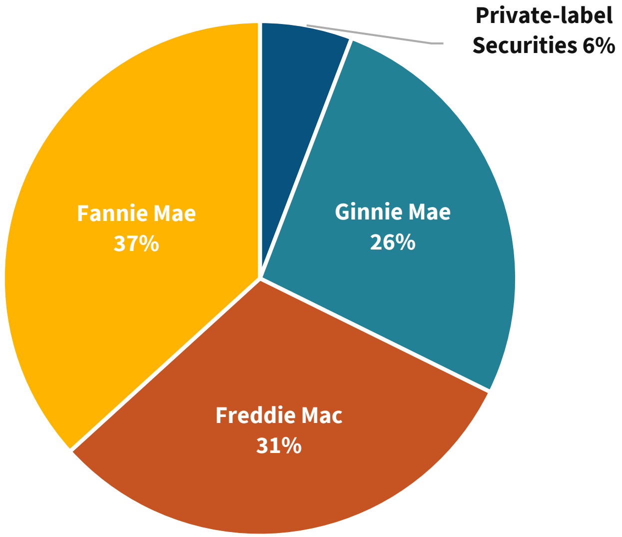
Credit Risk Securities

Credit Investor
Purchases credit risk securities and assumes portion of credit risk.

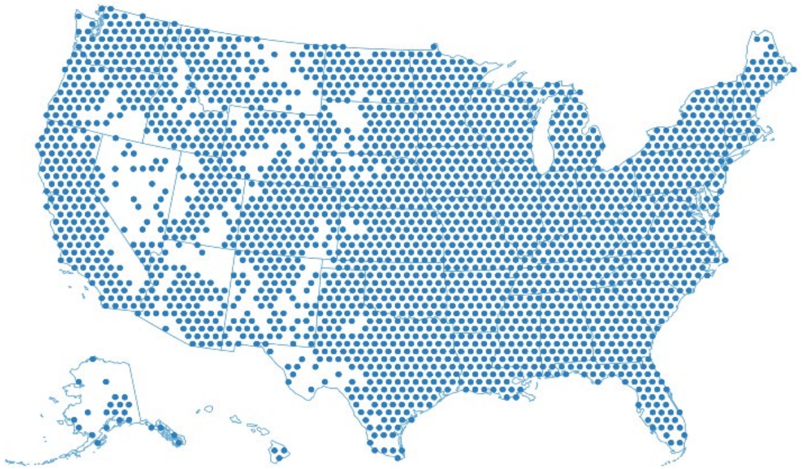
Credit Risk Management Is a Cornerstone of Our Business

Participants in Credit Risk Transfer are investing in Fannie Mae as a credit risk manager – the largest in the U.S. mortgage industry.

Single-Family Mortgage-Related Securities Issuances Share Q2 2022



We provided approximately $172.3 billion in Single-Family mortgage liquidity across the country in Q2 2022.



Approximately 28% of our single-family conventional guaranty book of business, measured by unpaid principal balance, was covered by a credit risk transfer transaction as of June 30, 2022.

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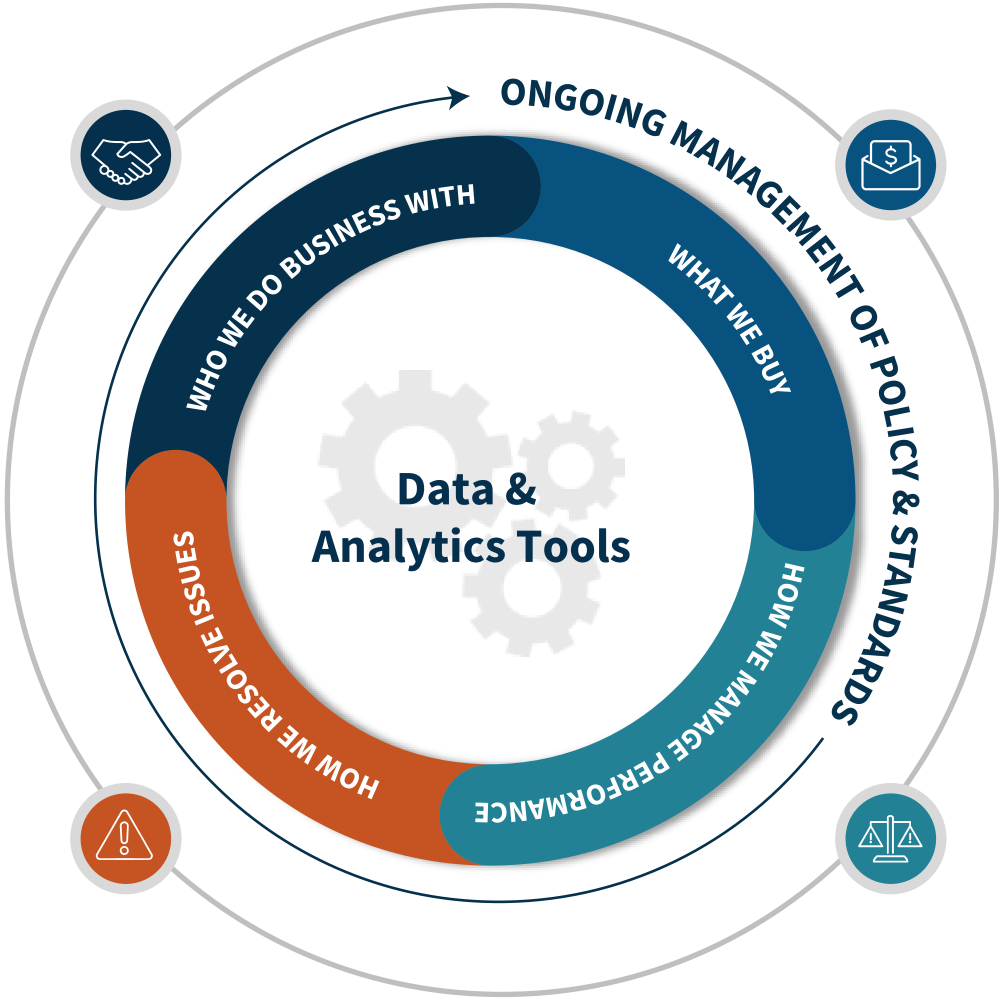
Our Credit Risk Management Strategy

Promote sustainable homeownership, minimize losses and maximize recoveries, and continuously improve our risk management capabilities.

- Our strategy is grounded in our Mission and includes facilitating equitable and sustainable homeownership.
- It is driven by strong policy, supported by robust data and unique analytical tools.
- We actively manage our seller/servicers and the loans we buy throughout the loan lifecycle.
- Our goal is to provide transparency to lenders and servicers and make housing attainable and affordable while promoting market stability.



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Dynamic Risk Management

Enhancements across the entire loan life cycle make us better prepared to manage through an economic downturn and mitigate our losses.

Underwriting standards	Strong credit standards have produced a portfolio of higher quality loans that are likely to perform better in a downturn than loans acquired prior to 2009.
Loan quality	Moving quality control to the front of the process drives down loan defect rates — better loan quality supports improved loan performance.
Counterparty oversight	Strong counterparty requirements provide greater assurance of compliance and more reliable credit enhancement than prior to 2009. Oversight frameworks provide confidence in our sellers’ and servicers’ operational capabilities and enable proactive performance management.
Troubled loan management	We leverage a comprehensive system to manage loans and real estate owned (REO) properties through the entire loan cycle, which enables us to achieve better credit loss outcomes and reduce severities.
Technological advances	Tools are embedded in our sellers’ and servicers’ processes to improve our ability to assess credit and collateral risks prior to loan acquisition, make it easier for them to comply with our requirements, drive consistency and quality, help servicers rapidly assist delinquent borrowers, and mitigate our credit losses.

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Improved Risk Position

We have drastically improved the risk position of the company since the 2008 financial crisis.

	Metric name	Pre-crisis	Crisis peak	Today*
Increased loan quality	**Eligibility defect rate for acquisitions**	**1.72%** (Jan 2005 – Dec 2005)	**5.875%** (Jul 2007 – Jun 2008)	**1.1480%** (Oct 2020 – Sep 2021)*
Technological advances	**Data points on collateral**	**2**	**2**	**~600**
	# of appraisals available in UAD	**0**	**0**	**~64 M** (August 30, 2022)
Improved problem loan management	**Seriously Delinquent Loan (SDQ) rate**	**0.58%** (Aug 2003)	**5.59%** (Feb 2010)	**0.80%**** (June 2022)
	SDQ count	**85,770** (Aug 2003)	**1,018,984** (Feb 2010)	**143,355**** (June 2022)
	SDQ monthly new additions	**16,514** (12-month avg Sep 2002 – Aug 2003)	**90,556** (12-month avg Mar 2009 – Feb 2010)	**14,850**** (12-month avg July 2021 – June 2022)
	REO inventory count	**13,749** (Dec 2003)	**171,283** (Oct 2010)	**7,377** (June 2022)
	REO monthly net acquisitions	**2,541** (Dec 2003)	**31,012** (Sep 2010)	**403** (June 2022)

**Excludes Refi Plus*
***Includes COVID-19 related forbearance*

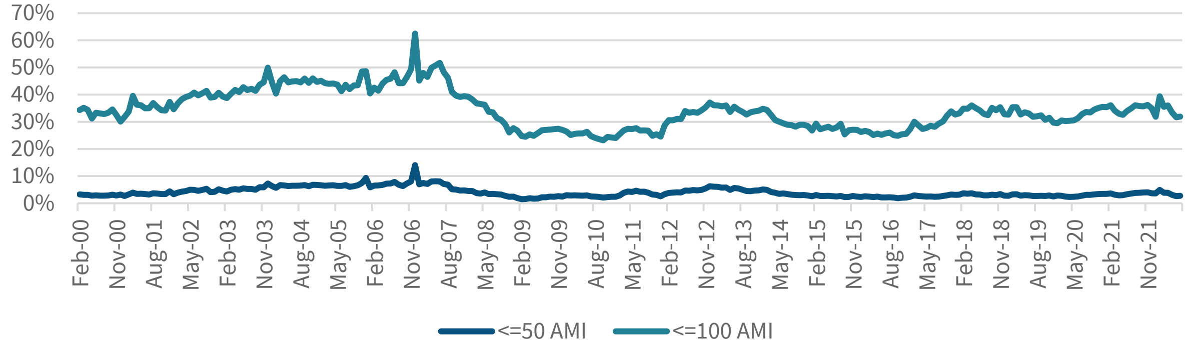
Responsible and Affordable Home Lending

Fannie Mae has a duty to serve the underserved, including providing sustainable access to mortgage credit for creditworthy low- and moderate-income borrowers.

Low/mod income lending has consistently been a significant share of Fannie Mae's business

Credit standards support sustainable homeownership and improve loan access.

High Loan-to-Value (LTV) Share of Low/Moderate Income Borrowers*



*Share of Acquisition UPB for loans with original LTV ratios >80% where borrower income is less than or equal to the Area Median Income (AMI).

HomeReady®

- Borrower's income must be at or below 80% of Area Median Income (AMI)*
- Reduced mortgage insurance requirements for LTV ratio >90% results in lower monthly payment.
- Lower loan-level price adjustments (LLPAs) help to reduce the rate and/or fees charged to the borrower.

*Prior to July 20, 2019, borrower's income must have been less than or equal to 100% of area median income (AMI), or the property must have been located in a low-income census tract.

Positive Rent Payment History

- New feature in Desktop Underwriter® (DU®) launched in September 2021 for those that may have limited credit history but a strong rent payment history.
- Incorporates recurring rent payments in the applicant's bank statement data to deliver a more inclusive credit assessment while promoting safe and sound lending. Any records of missed rent payment do not have a negative impact on the applicant.

Credit Policy and Acquisitions

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Setting Our Selling Policy

Fannie Mae's credit risk management philosophy considers all stages of the loan life cycle and is focused on leveraging data and analytics to support sustainable homeownership.

Single-Family Selling Guide Policy Development Life Cycle

Developing Selling Policy

Monitor and assess

- Book and acquisition profile, performance, volume
- Economic and housing market data
- Regulatory and legislative changes
- Market and competitive landscape

Research and analyze

- Performance expectations
- Credit, operational, and legal risks
- Impact on housing market, liquidity, lenders, and borrowers

Communicate and deploy policy decisions and updates

- Publish new and updated policy via the ***Selling Guide***
- Deploy policy changes through automated systems

Actively engage

- Lenders
- Internal stakeholders
- External industry stakeholders

We closely monitor the performance and quality of acquisitions and market conditions and, as appropriate, make policy and process changes to ensure the loans we acquire are consistent with our risk appetite and FHFA guidance.

Communicating Our Policies

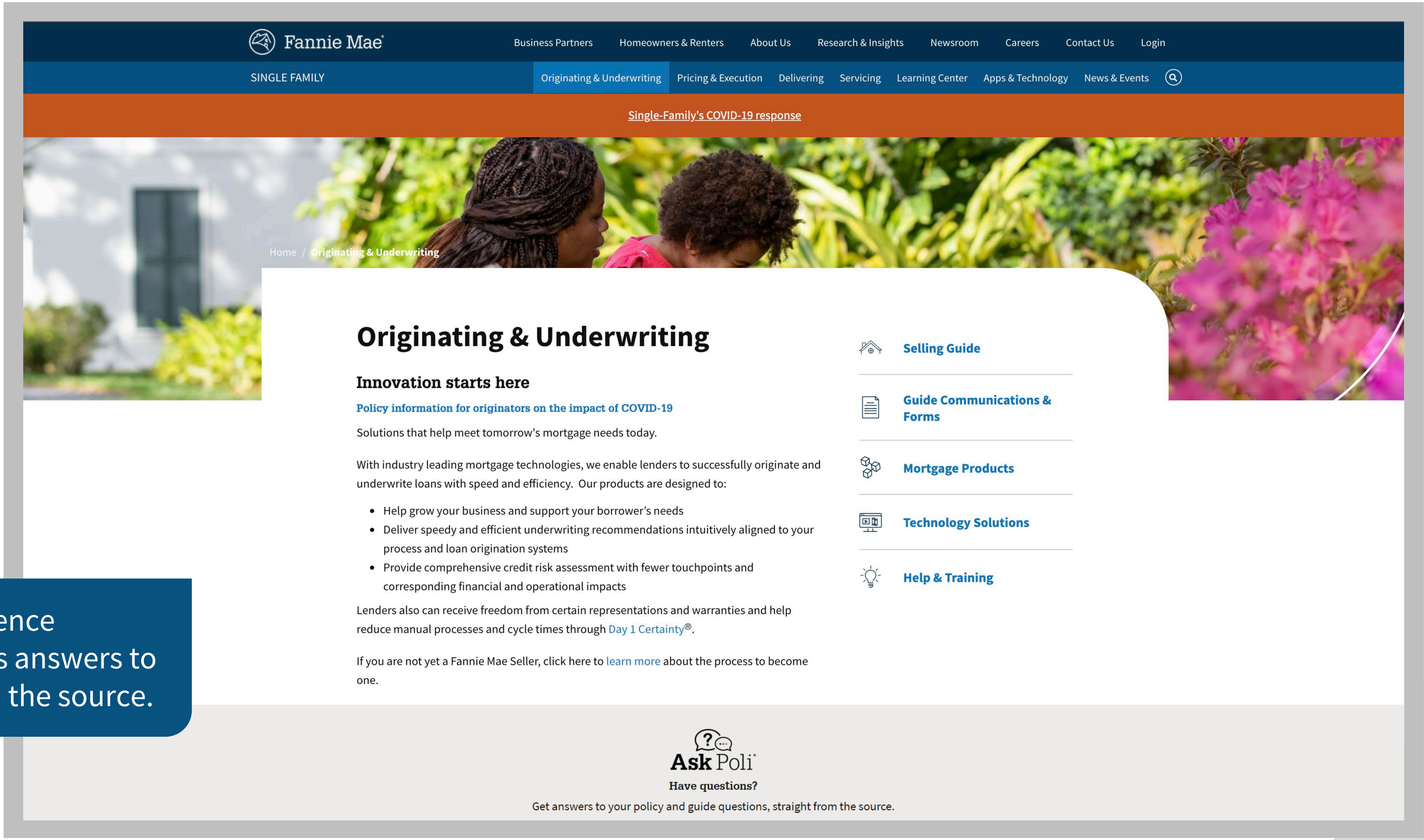
Fannie Mae's communications are designed to be timely and transparent in order to keep lenders and servicers informed of up-to-date policy and requirement changes.

Source	Description
The *Selling Guide*	Informs lenders about our policies and requirements for the origination, underwriting, and delivery of mortgages that Fannie Mae will purchase or securitize and includes information about contractual obligations and maintaining lender eligibility.
The *Servicing Guide*	Informs servicers of the policies and requirements for performing servicing obligations and includes information about contractual obligations and maintaining servicer eligibility.
Announcements and Release Notes	Describe new, supplemental, or modified policies, procedures, and requirements, and amend the *Selling Guide* or *Servicing Guide* documents posted on fanniemae.com.
Lender Letters and Selling and Servicing Notices	Communicate new or modified policies and requirements that may be temporary in nature, reminders of existing policies, or advanced notice of policy changes with future effective dates to be included in future *Selling Guide* or *Servicing Guide* updates. Also provide information that lenders/servicers need but that does not require an update to *Selling Guide* or *Servicing Guide* text, such as an update to an exhibit on Fannie Mae's website.
Exhibits and Forms Incorporated by Reference	Exhibits relate to Fannie Mae policies and requirements and may be in the Guides or referenced by hyperlink. Specific forms lenders and servicers must use to fulfill the policies and requirements contained in the *Selling* and *Servicing Guides* are referenced in the Guides and published on Fannie Mae's website.
Mortgage Selling & Servicing Contract (MSSC)	Establishes the lender's contractual relationship with Fannie Mae, sets forth the terms and conditions for the lender to sell mortgages to Fannie Mae, and incorporates the *Selling Guide* and *Servicing Guide*.
Seller Negotiated Contracts	Establishes negotiated guideline exceptions that are acceptable due to alignment with our credit risk appetite and the lender's overall control environment.

Fannie Mae is focused on bringing transparency to its seller/servicer customers through policy communications, key to the success of our rep & warrant framework. We provide targeted announcements and commentaries to investors to support transparency into our programs.

Selling Guide, Servicing Guide, Announcements, Lender Letters, Notices are available on fanniemae.com and AllRegs® and constitute part of the contract between Fannie Mae and the lenders. News is pushed to external customers by subscribing to Fannie Mae's email subscription services available on fanniemae.com.

Communicating Our Policies



Ask Poli ® (an artificial intelligence powered search tool) provides answers to policy questions straight from the source.

Proprietary Tools Support Quality Underwriting

Desktop Underwriter® (DU®)

Automates Fannie Mae's underwriting guidelines and credit policies by performing detailed analysis of credit and mortgage risk factors.

- Available to all Fannie Mae Sellers.
- Allows us to make a risk recommendation for the loans.*
- Continually innovate ways to enhance loan quality.
- DU validation service uses designated third-party data vendors to independently validate borrower income, assets, and employment data.

*DU risk recommendations inform Sellers whether a loan — if closed — would be eligible for sale to Fannie Mae. Credit decisions are made by Fannie Mae Sellers.

Collateral Underwriter® (CU ®)

Proprietary appraisal analytics tool for measuring appraisal risk using electronic appraisal records to improve loan quality.

- Incorporated into DU and available to all Fannie Mae Sellers.
- Drives quality improvements across the industry.
- Proprietary appraisal risk assessment tool, unique to the industry.
- Enables us to provide value representation and warranty relief on eligible transactions.
- The underlying collateral data enables us to provide Appraisal Waivers on eligible transactions.

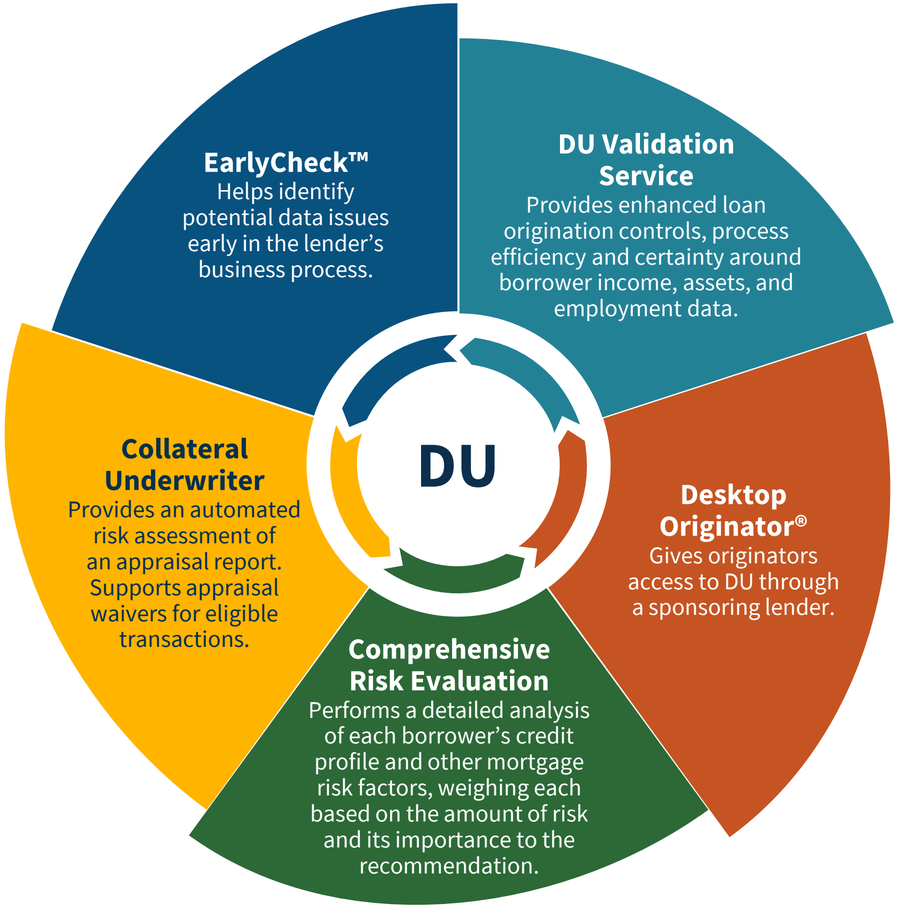
Our tools are some of the most widely used in the industry supporting comprehensive credit risk management.

DU: The Industry's Most Widely Used Automated Underwriting System

Used by 1,800 lenders, with over 97% of loans sold to Fannie Mae evaluated through DU.

- Automates underwriting eligibility guidelines and assesses risk of the loan through a comprehensive examination of primary and contributory risk factors.
- Improves efficiency of loan origination process and enables efficient deployment of new policies, standards, and products to lenders.
- Provides lender with underwriting and eligibility recommendations and a list of conditions/verifications that must be fulfilled in order to sell the loan to Fannie Mae.
- DU validation service enables source validation of income, assets, and employment through third-party data vendors

DU connects with proprietary tools for detailed analysis of credit and mortgage risk factors.



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DU's Comprehensive Risk Evaluation

Performs a detailed analysis of each borrower's credit profile and other mortgage risk factors, weighing each based on the amount of risk and its importance to the recommendation.

Credit profile risk factors

- Credit history
- Delinquent accounts
- Installment loans
- Revolving credit utilization
- Public records
- Foreclosures and collections
- Credit inquiries
- Trended credit data

DU does not rely on credit scores. Rather, it performs a detailed analysis of credit and mortgage risk factors.

Additional risk factors

- Borrower's equity and loan-to-value ratio
- Liquid reserves
- Loan purpose
- Loan term
- Loan amortization type
- Occupancy type
- Debt-to-income ratio
- Housing expense ratio
- Property type
- Co-borrowers
- Variable income

Innovation Through DU

Asset, income, and employment validation are important components of the underwriting process, critical to assessing a borrower's ability to repay a mortgage loan.

Traditional validation

- Requires originator to collect and verify income and asset documentation from borrower to satisfy underwriting requirements.
- Manual and paper-intensive process.
- Seller provides a representation and warranty that the information is accurate.

DU validation service

- Validates income, employment, and assets through source data rather than relying on paper documentation.
- Reduces loan processing time by relying on data provided by third-party vendors who are connected to employer, tax, and bank data.
- If validated and other terms of obtaining relief are met, seller receives representation and warranty relief on a component level (e.g., per borrower, income type, or employer basis).[2]

Positive Rent Payment History

- This positive only change allows DU to use verification of asset reports (i.e., bank statement data) to identify recurring rent payments to potentially enhance DU's credit assessment of prospective, first-time homebuyers.

Single-source validation (in pilot)

- Through DU, we can leverage paycheck direct deposit data[1] to validate income for certain types of borrowers (wage earners, retirement/social security income).
- If validated, seller receives representation and warranty relief on a per-borrower or employer basis.

[1]Over 80% of borrowers are paid via direct deposit on a recurring basis.

DU enables Fannie Mae to test innovative ways to expand mortgage access while maintaining risk tolerance.

Day 1 Certainty

Through Day 1 Certainty®, Fannie Mae is leveraging borrower and property data, applying advanced analytics, and bringing key quality control processes up front, to improve the loan origination process.

1. Direct source validation of borrower income, employment, and assets through DU reduces **paperwork, loan processing time, and exposure to borrower fraud.** If requirements are met, Fannie Mae provides relief from enforcement of representations & warranties on validated components.

2. By combining DU with the industry-leading analytics provided by CU to leverage our database of **more than 50 million appraisals,** Fannie Mae can offer appraisal waivers for certain eligible transactions. We provide relief from enforcement of representations & warranties on the value of the appraisal.

3. Potential valuation issues are identified during the underwriting process, **before loans are delivered**. This allows originators to correct potential valuation errors upfront and allows us to monitor behavior across appraisers. CU has been effective in identifying loans with appraisal defects. Fannie Mae provides relief from enforcement of representations & warranties on the value of the appraisal when the CU risk score is 2.5 or lower.

Our digital innovation allows us to quickly deploy new policies to address changing market and economic conditions. We're improving quality and reducing risk by leveraging automation to help lenders avoid common loan manufacturing defects.

Collateral Risk Management

Collateral Risk Management

By having a centralized focus on collateral risk management across origination, servicing, and REO, Fannie Mae can more effectively create best practice methods for analyzing collateral risk, improve efficiencies across a myriad of valuation processes and optimize liquidation results.

Strategic priorities

Supporting tactics
- **Use more data**
- **Improve tools**
- **Optimize decisions**

1 More comprehensive origination risk assessment

- Using data, improve our overall risk evaluation, and increase certainty around collateral value and eligibility.

2 Improve valuation process

- Focus on process improvements for analyzing value, specifically:
  - Cost.
  - Assurance.
  - Speed.

3 Improved delinquent loan/REO decisioning

- Improve our ability to set prices for the collateral and sell REOs. Examples:
  - Short sale strike price.
  - Foreclosure auction bidding strategy.
  - REO list price and rehab decisions.

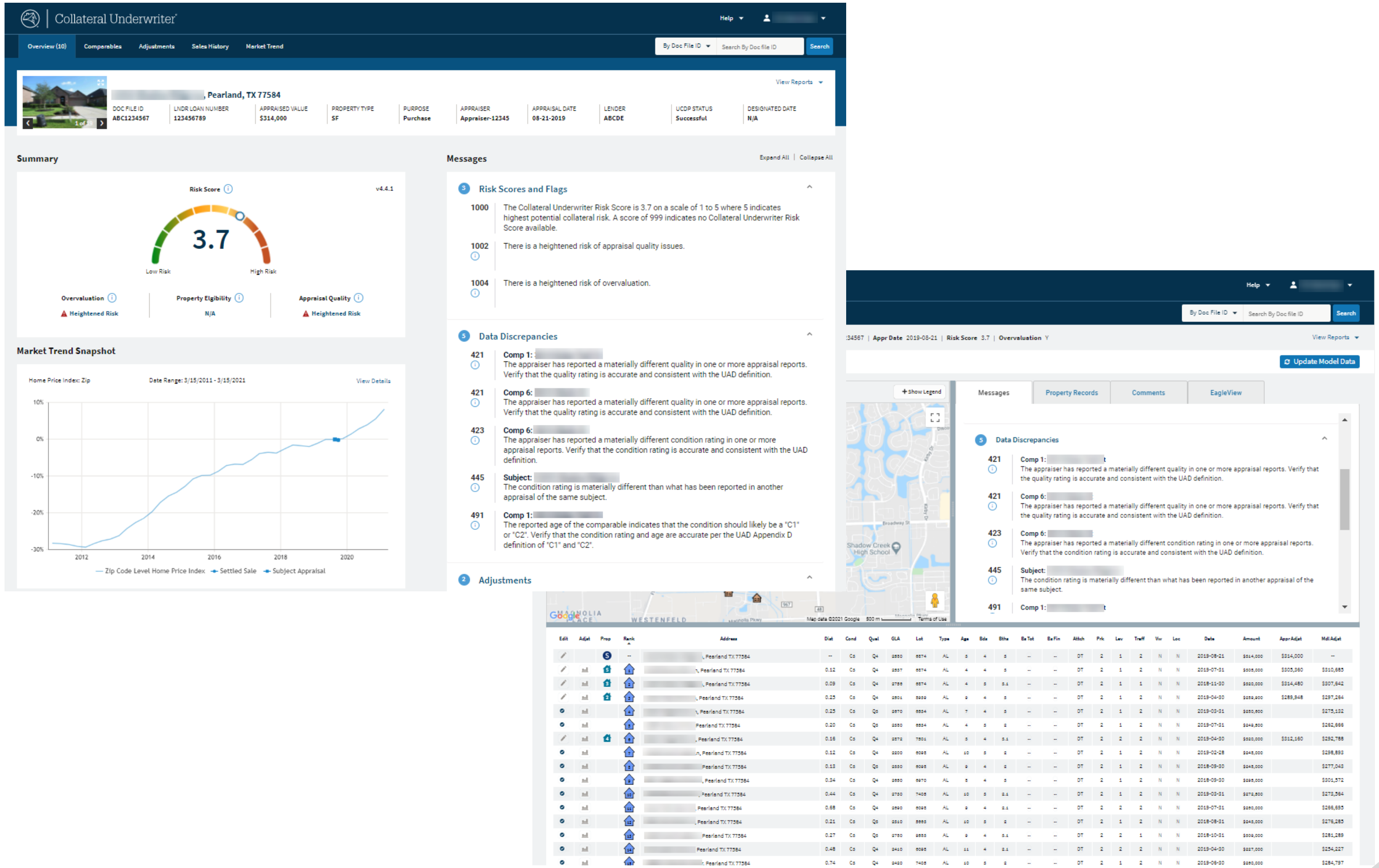
Goal:		
Improve risk assessment	Drive process improvements	Reduce severity, cost, time

Fannie Mae's execution on its strategic collateral risk management priorities allows for a greater understanding and more effective management of collateral risk throughout all stages of a loan.

Collateral Underwriter

CU is Fannie Mae's flagship product of collateral risk assessment innovation, driving greater digitization in the mortgage industry

- ✓Appraisal Analysis
- ✓Data Integrity
- ✓Comparable Selection
- ✓Local Market Analytics
- ✓Adjustment Rates



Advanced data-driven analytics support collateral appraisal quality – a key risk attribute.

Appraisal Data Delivery and Strategy

Uniform data standards and collection together with Fannie Mae's advanced analytics are transforming the industry by identifying higher risk appraisals earlier in the lending process.

Robust appraisal analytics improve assessment of collateral risk:

- Appraisal data quality and eligibility issues identified by automated data checks at time of submission.
- Additional messaging generated by CU gives lenders real-time feedback on critical valuation risks.
- CU provides context behind messages along with additional validation data and tools to assist in managing risks.
- Fannie Mae leverages CU analytics in our post-purchase quality control (QC) process to uncover valuation defects and enhance our discretionary QC sampling.
- Appraiser Quality Monitoring framework detects and manages collateral risk issues at the appraiser level.

Advanced data helps to inform policy enhancement, leading to more effective appraisal policies and enabling modernization of appraisal processes.

The Six Pillars of Appraisal Bias Work

Taking action to reduce the risk of racial bias in the appraisal process

Research

- Analysis of undervaluation risk related to racial bias
- Impacts (e.g., frequency, severity, etc.)

Monitoring / Quality Control

- Text scanning capabilities
- Appraisal reviews / Enforcement
- Enhanced lender QC requirements

Appraiser Diversity Initiative™

- Created in 2018 to Promote Diversity in Appraiser Profession
- Expanded Scope and Partnerships

Industry Engagement

- Lenders, AMCs, Nonprofits, & Appraisers
- Appraiser Newsletter & Industry Forums
- Regulation / Legislation

Appraisal Process

- Appraisal Modernization
- Appraisal Methodology

Technology

- Under-valuation flag in Collateral Underwriter® (CU®)
- Appraisal data and digital tools

The Modern Valuation Spectrum

Data, model, technology-driven solutions | **Appraiser-dependent solutions**

Appraisal Waivers

Uses data and a modeling framework to confirm the validity of the value/sales price. For purchases and refinances; especially well-suited for low-risk refinances when subject and market data is abundant.

Inspection-based Appraisal Waivers

Property data is collected by a vetted third party (real estate agent, insurance inspector, appraiser, etc.). Lender reviews data and warrants property eligibility.

Desktop Appraisals

Appraiser completes the appraisal without physically inspecting the property, using data from various sources (agents, homeowners, MLS, tax records, etc.). Best suited for purchase transactions.

Hybrid Appraisals

Property data collected by a vetted third party (real estate agent, insurance inspector, appraiser, etc.) is passed to an appraiser to perform an enhanced version of a desktop appraisal.

For loans that do not qualify for waivers or do not have reliable prior observations of the subject property.

Traditional Appraisals

For complex property types or situations where data is sparse.

Opportunity exists to improve the traditional appraisal process with technologies such as 3D scans, standardization of data, and enhanced analytical tools.

Alternative-scope valuation approaches

Innovation with Collateral Underwriter

Fannie Mae leverages DU and CU in an integrated fashion to offer appraisal waivers for certain lower-risk eligible loans.

- The subject property generally has a prior appraisal that was analyzed by CU.
  - CU will evaluate the prior appraisal for overvaluation or property eligibility issues. If any of these issues exist, an appraisal waiver will not be granted.
  - CU will use the prior appraised value along with Fannie Mae's Home Price Index to assess the reasonableness of the estimated property value provided by the lender in DU.
  - If estimated property value is reasonably supported, the loan may be eligible for a waiver, subject to additional eligibility requirements.
- The majority of transactions will continue to require an appraisal.
- Advanced data collection techniques along with CU drive future collateral innovation.

Part of Fannie Mae's commitment to simplifying the complexity of mortgage origination by creating efficiencies and delivering innovations, leveraging data.

Managing Seller/Servicer and Loan Performance

Our Risk Governance and Culture

Our credit risk management strategy is bolstered by a “three lines of defense” approach to managing risk.

Responsibilities

3rd line
Internal audit

- Perform independent systematic evaluation of the effectiveness of the internal control systems employed by management to achieve objectives.

2nd line
Enterprise risk management, compliance, support functions

- Set standards for the first line of defense to manage and oversee risks.
- Perform independent oversight and monitoring of risk management and aggregate reporting on risk.
- Develop and maintain the Company’s integrated risk management program.

1st line
Business units and operations*

- Identify, assess, respond to, and monitor/report on risks.
- Abide by risk appetite, policies, standards, and limits/thresholds.

* *The first line of defense is comprised of any group that generates risk from its business activities.*

Counterparty Risk Management

We assign internal ratings of our seller/servicer counterparties on a quantitative and qualitative basis. This rating reflects our assessment of counterparty strength and maximum risk appetite for each counterparty. Our framework is composed of:

Counterparty ratings

Internal ratings make assessments that cover the following areas:

- Profitability
- Asset quality
- Capitalization
- Liquidity/funding
- Portfolio concentration
- Management quality

Counterparty limits

Counterparty exposure against individual exposure limits are tracked on a daily basis for all counterparties and are based on:

- Internal ratings
- Financial strength

Risk mitigation strategies for troubled sellers/servicers include:

- Guaranty of obligations by higher-rated entities;
- Reduction or elimination of exposures and/or certain business activities;
- Collateral to secure obligations;
- Suspension/termination of seller/servicer approval(s);
- Heightened minimum financial eligibility requirements (above Guide requirements); and/or
- More frequent financial reporting (monthly financial statements).

Our enterprise counterparty framework supports management of our seller/servicer counterparties.

Becoming a Fannie Mae Seller/Servicer

A key strength of our credit loss mitigation strategy is our comprehensive management of sellers and servicers to assess readiness to do business with us and quarterly review of financials to ensure compliance with our requirements.

Fannie Mae's resources provide transparency into the onboarding process

- Typically a three-to-four-month process.
- Seller/servicer requirements generally include[1] :
  - At least 24 months in the mortgage business.
  - Minimum net worth of at least $2.5M plus 0.25% of UPB of servicing portfolio and minimum capital and liquidity requirements.
  - Adequate facilities and experienced staff.
  - Quality control processes and procedures for loan products, servicing, and vendor management.
- Potential servicers must also have written procedures in escrow management, investor reporting, custodial funds, default management, QC, and audit.

Sellers and servicers must meet financial, organizational, staffing, process, and experience requirements.

[1] *See the Path to Approval Toolkit, our Selling Guide and our Servicing Guide, for more information at fanniemae.com.*

Active Review of Seller/Servicer Before Approval

An offsite review that includes:

Pre-contract seller assessment

- Organizational structure and governance.
- Retail/wholesale/correspondent.
- Underwriting.
- Appraisal review process.
- Quality control.
- Site/system walkthroughs, which are primarily virtual and offsite.

Pre-contract servicer assessment

- Organizational structure and governance.
- General servicing.
- Solution delivery.[1]
- Timeline management.
- Subservicer selection protocols and oversight criteria, as applicable.

Pre-contract assessments help us to determine the quality of seller/servicer processes and effectiveness of controls.

[1] *Includes loss mitigation and liquidation.*

Our Representations & Warranties Framework

Fannie Mae relies on a delegated model — sellers providing representations & warranties that the loans they sell to us meet our guidelines.

Framework

Sellers and servicers are jointly and severally responsible for ~~of~~ selling reps & warranties.

Life of loan representations & warranties

Sellers and servicers may receive relief from certain underwriting reps for an individual loan based on that loan's payment performance or completion of successful loan QC review.

No relief for certain "life of loan" reps & warranties, including matters related to fraud, pattern of misrepresentation, clear title, legal compliance, and our Charter.

Enhanced quality control

Leveraging automation, applying advanced analytics, and bringing key quality control processes upfront, helping to avoid common manufacturing defects.

Business Account Management Solutions Teams

Dedicated customer teams provide critical support in hands-on risk management.

Sellers

- Assess and monitor sellers' credit cultures through ongoing interaction, and senior-level engagement.
- Monitor acquisition profiles, performances, and sellers' overall books of business to ensure compliance with Fannie Mae's requirements and corporate risk expectations and tolerance.
- Lead remediation efforts to address performance/quality issues.
- Serve as sellers' contact for risk policy and interpretation.
- Interact with sellers regarding loan quality and loan delivery, including anti-fraud measures.
- Provide sellers with training, expertise, and assistance on risk-related topics including credit quality issues.

Servicers

- Measure, monitor, and manage servicer performance commensurate with total delinquency (TDQ: 30+ days) and serious delinquency (SDQ: 90+ days) volume.
  - Provide regular performance goals to certain servicers.
  - Discuss performance against goals and track action items to improve.
  - Follow up on remediation of findings from servicer compliance reviews.
- Work with single-family risk management to provide best practices and consultative support in collections and loss mitigation, short sales/mortgage release, bankruptcy monitoring, foreclosure processing, and reporting.

Business Account Management Solutions Teams (BAMs) are the central point of contact to address lender/servicer questions and provide feedback.

Management and Monitoring of our Sellers/Servicers

1 **Mortgage Origination Risk Assessment**

- In-depth reviews of a seller/servicer's origination processes.
- Assess the quality of a seller/servicer's manufacturing process and the effectiveness of its controls.

2 **Loan-level data validation**

- Review and respond to the potential data changes that are identified from Fannie Mae's models.
- Analyze data changes that do not rise to the level of a repurchase and determine next steps.

3 **Servicer Total Achievement and Rewards™ (STAR™)**

- In-depth procedural and loan level evaluation of a servicer's operations for effectiveness.
- Monthly scorecard of servicer's performance metrics to align with Fannie Mae objectives.

4 **Risk monitoring, evaluations & escalations**

- Develop and manage performance metrics and escalation triggers/thresholds for selling and servicing through dashboards.
- Monitor and report on selling and servicing variances and other risk matters.

5 **Targeted seller/servicer oversight**

- Internal monitoring using proprietary tools quickly assesses risk associated with new sellers or new servicers and/or existing sellers/servicers that may have emerging growth and/or potentially elevated risk.

6 **Seller/servicer loan quality monitoring and control**

- Quality control system allows real-time engagement with seller/servicers on manufacturing quality to drive faster improvement in lender process.
- Testing to determine the adequacy and effectiveness of lender's quality control processes and procedures.

Rigorous monitoring conducted through an integrated framework to ensure seller/servicers have effective controls in place to meet eligibility, operational, QC, and data quality requirements.

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Loan Quality Management Sampling Strategies

Portfolio Risk

- Monthly statistically valid random sample of Fannie Mae's acquisitions determines overall loan defect rate and trends.
- Discretionary loan selection driven by automated data and analysis tools that evaluate new loan acquisitions for credit, collateral and data defects.

Manage overall level of Fannie Mae loan quality

Seller Risk

- Seller stratification of random sample provides statistically valid defect rate for top sellers and allows for easy comparison across lenders and drives seller action planning.
- Discretionary selections target new lenders and emerging risks.
- Supplemental random selections to ensure every seller with at least 10 loans sold to us in a year is subject to a loan level quality control review.

Manage seller specific loan quality performance and trends

Tail Risk

- Loans that experience early payment defaults are reviewed to determine if poor loan quality contributed to early delinquency. Selection is based on business rules.
- Seriously delinquent and liquidated loans undergo predictive model-driven analysis, which assigns a repurchase risk score. Loans above the prescribed risk score are selected for review. Focus is on loss mitigation.

Manage loan level outliers and mitigate losses

Loan Quality Review Sampling Strategies are designed to manage three levels of risk: portfolio risk, lender risk and tail risk .

Loan Quality Management Post-Purchase Review Processes

Ensures compliance and provides lenders with actionable data and feedback about loan origination quality.

Post-purchase file review process

- Validates that loans Fannie Mae purchased were originated in accordance with applicable requirements.
- Uses proprietary underwriting risk assessment forensics tool in quality control reviews and finds data anomalies that may impact eligibility.
- Full underwriting review of random and some discretionary selections are completed when a loan file is requested from a lender.
- Component reviews are performed on some targeted reviews as a supplement.

Fannie Mae's loan review process pairs analytical tools with human reviews to ensure compliance.

Loan defect remedies

Remedies enforce contractual rights and motivate the lender to correct its manufacturing processes.

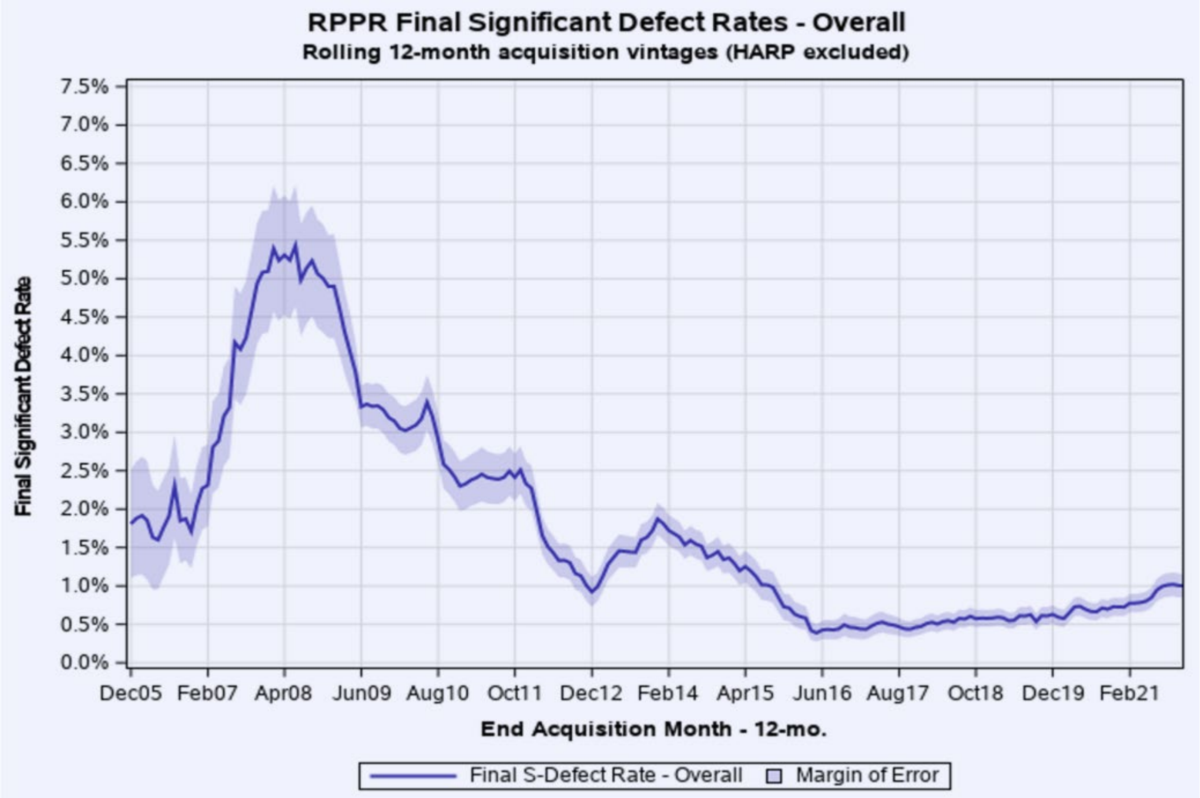
Defect type	Defect description	Remedies
Finding	Defect does not necessitate a change in the price of the loan or result in the loan being ineligible for sale.	None, but Fannie Mae provides lender education and feedback.
Price-adjusted loan	Loan was otherwise eligible for sale had the correct loan-level price adjustment (LLPA) been paid to Fannie Mae by the lender.	Seller submits data correction and pays the applicable LLPA. • Could trigger CRT Reference Pool removal, depending on nature of data change.
Significant defect	Defect that either necessitates a change to the price on which the loan was acquired or results in the loan being ineligible for purchase.	Loan repurchase, or repurchase alternative, which may include payment of a fee and/or an agreement by the lender to provide recourse on the loan. • Repurchases and repurchase alternatives are treated as CRT Reference Pool removals.

Post-Purchase Loan Review Findings

Fannie Mae's digital vision over time should reduce manual errors that result in loan defects:

- Income — incorrect calculation.
- Employment — employment validation errors.
- Property — inappropriate/dissimilar comparable sales.

Eligibility defect rates for Single-Family loan acquisitions based on random post purchase review outcomes:



Review data as of July 31st, 2022; acquisitions thru September 2021

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Loan Quality Connect

Connecting Fannie Mae and our sellers in an ongoing partnership to drive loan quality.

Loan Quality Connect™ is an interactive loan quality management system that is the hub for collaboration.

- Transforms how we work with sellers — simplified technology that supports seamless collaboration and timely feedback.

Simplified technology

- One-stop shop for loan file submissions and status updates.
- Save time and money with simplified doc management.
- No integration required.

Seamless collaboration

- Instant communication tools for process efficiencies.
- No email or spreadsheets — all documents and communications stay within the system.

Timely feedback

- Instant status updates.
- Real-time loan quality feedback.
- Self-serve reporting and data visualization.

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Fannie Mae QC specialists

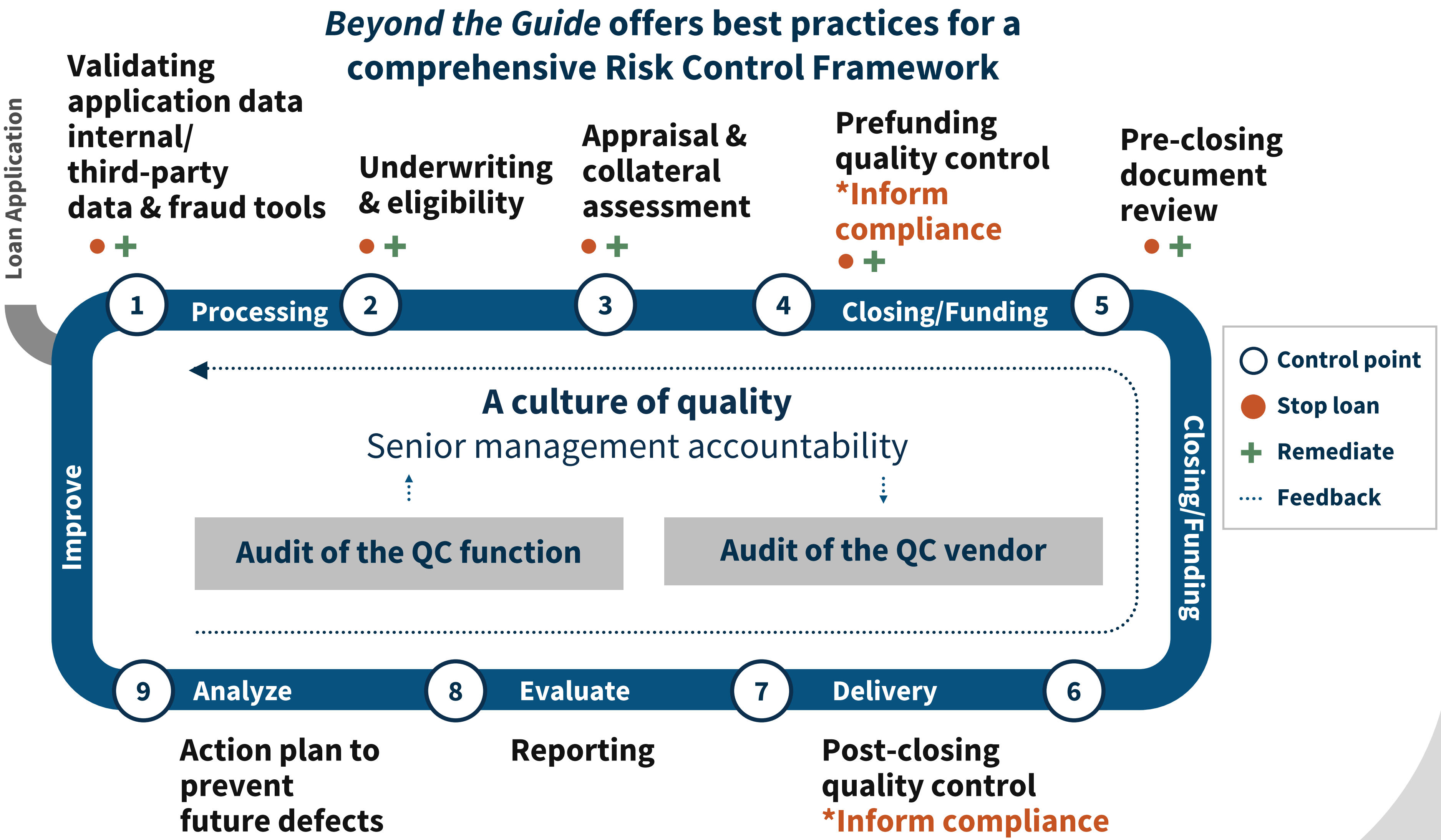
- Dedicated Fannie Mae QC specialists interface directly with our sellers.
- Support seller with action planning to address top findings and defects.
- Provide analysis and recommendations related to loan manufacturing quality.
- Share best practices with sellers on structure of internal quality controls to ensure effective control environment.

Training designed to foster loan quality and reduce defects

- Training resource catalog offers comprehensive collection of resources available to sellers.
- Quality control self-assessment tool enables quality control managers to analyze the state of their programs.
- Annual risk management and QC boot camp provides intensive training on underwriting and quality control requirements.
- *Quality Insider* provides information to the industry on current topics relating to loan quality and quality control.
- *Beyond the Guide* offers ideas for enhancing quality control efforts.

Seller Training Provides Industry Value

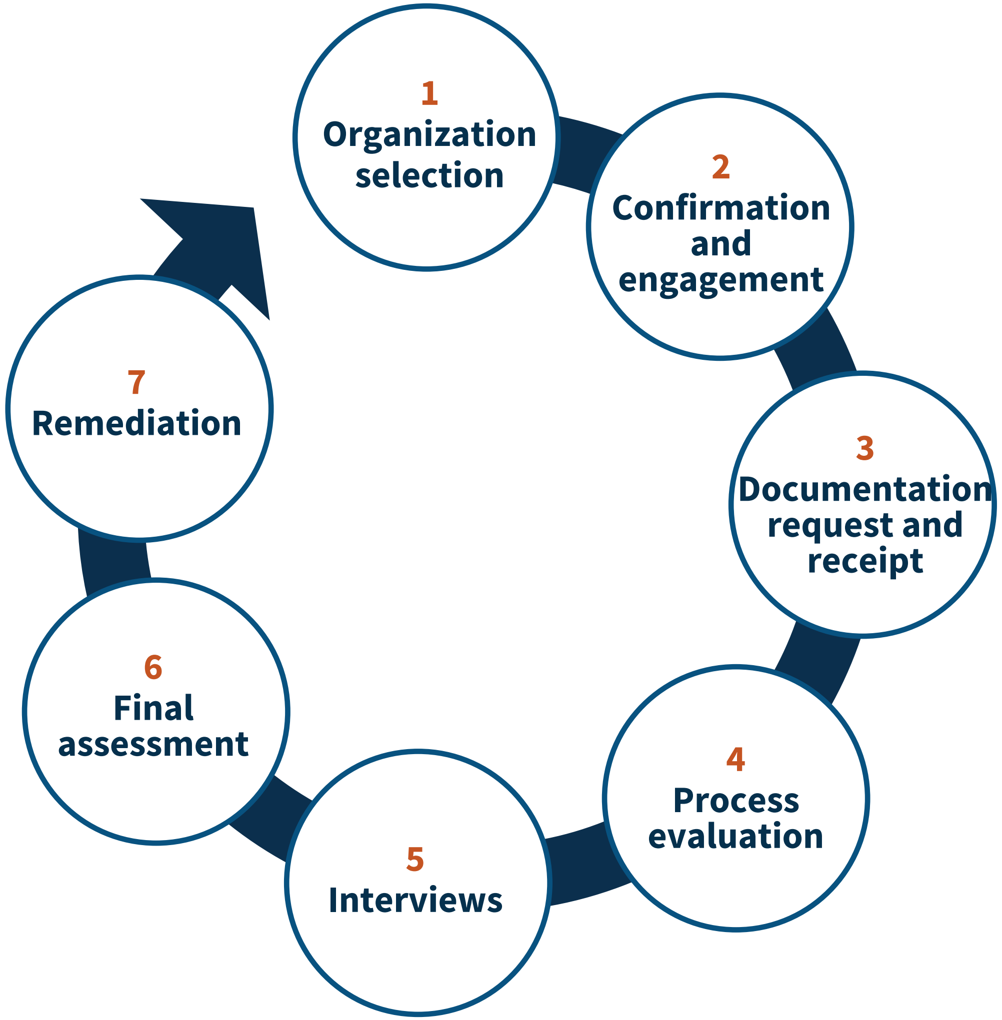
Effective, fully integrated quality control program provides value to the sellers' businesses and the overall industry.



Evaluating Compliance with Our Guidelines

The Mortgage Origination Risk Assessment (MORA) assesses sellers' operational risks, and the Servicer Total Achievement and Rewards™ (STAR™) operational review assesses servicers' operational risks.

- A key component of each review is process evaluation — a review of policies, procedures, management reports, and file-level testing. Validates adherence to Fannie Mae requirements and assesses operational capabilities.
- All reviews produce a final assessment — findings, applicable corrective actions, and any recommendations based on tests, interviews, and ratings.
- If remediation is needed, sellers and servicers have 30 days from date of report delivery to submit a proposed Action Plan to the Single-Family Remediation team. This team tracks findings, confirms completion of corrective actions, and/or retests to evidence effectiveness of the correction.



Fannie Mae's STAR™ Program

The program seeks to:

- Align servicer performance with Fannie Mae's expectations to reduce our credit losses.
- Provide a consistent methodology for measuring servicer performance on the STAR Scorecard.
- Understand and communicate leading practices across the servicing industry using operational assessments.
- Identify and recognize our highest performing servicers.

The STAR Performance Scorecard White Paper is available at https://singlefamily.fanniemae.com/job-aid/star-white-paper/topic/welcomenew.htm

Fannie Mae's STAR program is one of the primary ways that we monitor servicers. The framework gauges relative performance across servicers and provides benchmarks to drive better performance.

STAR™ Performance Scorecard and Operational Assessments

Servicers are evaluated across distinct business processes that measure performance in terms of a servicer's ability to prevent credit losses for Fannie Mae by leveraging scorecard metrics and operational assessments.

General servicing

Servicers are measured on managing early term roll rates, call center management, and investor reporting and custodial accounting.

Servicers are measured on their general servicing functions that include loan payment processing, early-stage delinquency including offering forbearance, escrow account management, and ensuring that loan boarding practices are managed consistently.

Solution delivery

Servicers are measured on their ability to resolve delinquent loans and effectiveness in providing the appropriate loss mitigation or liquidation product.

Servicers are measured on their standard practices for borrower outreach, loss mitigation, and liquidation practices in order to meet Fannie Mae requirements.

Timeline management

Servicers are measured on their ability to resolve or liquidate loans beyond the allowable foreclosure time frames, timely reporting of new REO inventory, and ensuring property is marketable.

Servicers are measured on their foreclosure proceedings conducted appropriately by participating in foreclosure initiation, timeline management and reporting, and process management, including mortgage default law firm management.

Our servicers' success is essential in achieving Fannie Mae's goal of preserving home ownership and reducing taxpayers' and investors' exposure to credit losses.

Administrative Fees for Solution Delivery

Fees are paid to compensate servicers for the administrative costs of delivering a workout solution.

Administrative fees for solution delivery:

- A $500 administrative fee for a Repayment Plan workout option for eligible loans that are 60 days or more delinquent.
- A $500 administrative fee for a completed Payment Deferral, COVID-19 Payment Deferral, and Disaster Payment Deferral workout options for eligible mortgages.
- For eligible mortgages, a $1,000 administrative fee for a Fannie Mae Flex Modification.
- Depending on the number of days delinquent, administrative fees range from $750 to $2,500 for both short sale and mortgage release closings.
- For home retention workout options, the administrative fees are cumulatively capped at a total of $1,000 per mortgage loan without regard to whether the initial retention workout option and any subsequent retention workout option were as a result of the same hardship.
- For more details, view Servicing Guide F-2-02: Incentive Fees for Workout Options.

STAR™ Remediation and Escalation

STAR program prescribes corrective actions as needed and escalates to leadership if remediation is not completed as agreed.

Findings and remediation

- Final reports are issued with prescribed corrective actions and expected resolution due dates for each finding tracked in an action plan.
- Dedicated analysts are assigned to assist the servicer through its remediation efforts to ensure compliance as each finding is cleared.
- If remediation is not completed by the agreed-upon due date or if a servicer is unable to clear a finding, the issue is escalated to a higher level of the company for further analysis and determination of next steps.

Escalation

- Monthly reports are reviewed to maintain awareness of all open findings and their current statuses.
- Quarterly status updates and recommended actions are provided for servicers with overall ratings of Needs Significant Improvement or Unsatisfactory and the frequency of the updates increases if remediation efforts are stalled or unacceptable to resolve the finding.
- Guidance is issued by leadership for required action.

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Remedies for Servicer Non-Performance

Active monitoring of servicer non-performance includes:

Define observed harm → **Define remedies** → **Monitor for breaches** → **Select and pursue remedies** → **Finalize or escalate**

We generally follow a waterfall approach to pursuing remedies for servicing defects:

- Opportunity to Cure — Servicers typically are given an opportunity to correct a servicing defect.
- Repurchase Alternative — If the servicer is unable to correct the servicing defect, Fannie Mae's primary remedy generally is a repurchase alternative such as an indemnification for any loss.
- Repurchase — A remedy whereby the servicer repurchases either the mortgage loan or the property that was securing the mortgage loan.

Fannie Mae also assesses compensatory fees in certain circumstances to compensate Fannie Mae for losses caused by poor performance by the servicer.

Servicing remedies help us recover losses and emphasize compliance with our *Servicing Guide*.

Servicing Policies

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Borrower Outreach

Quality Right Party Contact (QRPC), a uniform standard for communicating with borrower, co-borrower, or trusted advisor, supports resolution of mortgage loan delinquency.

KnowYourOptions

By Fannie Mae

Quality Right Party Contact aims to:

- Determine reason for delinquency and whether it is temporary or permanent.
- Assess whether borrower has ability to repay mortgage loan debt.
- Educate borrower on available workout options, as appropriate.
- Obtain commitment from borrower to resolve the delinquency.

Fannie Mae establishes, and monitors servicers' progress against, transparent outreach timelines in order to assist borrowers with foreclosure prevention options quickly and effectively.

Helps servicers to help their borrowers. Benefits include:

Fannie Mae

- Deeper engagement earlier in the delinquency results in better loan performance
- Reduction in SDQ and foreclosures
- Reduction in credit losses

Servicers

- Sets industry standard of customer service excellence
- Improved response rates and take-up rates
- Improved STAR performance

Homeowners

- Options to avoid foreclosure discussed early, increasing likelihood of maintaining homeownership
- Early engagement builds relationships and homeowner advocacy
- Increased satisfaction with loss mitigation experience.

Borrower Outreach Timelines

Prescriptive borrower outreach sets standards for timely resolution of loss mitigation activities.

Day

17	36	45	60	106	121
For first-lien mortgage loans, servicer must send a payment reminder notice to borrower no later than 17th day of delinquency if payment has not been received.	No later than 36th day of delinquency, calls made every seven days until QRPC is made, borrower response package is received, or delinquency status is resolved.[1]	If QRPC or resolution has not been achieved by 45th day of delinquency, servicer must send either a Borrower Solicitation Letter or a Borrower Solicitation Package.			

Workout related activities

Once a complete borrower response package is received, servicer has 30 days to evaluate borrower for a workout option and must provide an Evaluation Notice describing the terms of the workout option to borrower within 5 days after making the decision .

If granted a modification, borrower enters a trial period plan, which has a duration of 3 – 4 months depending on the delinquency at start of trial.

Foreclosure related activities

If property is a first-lien and is not vacant or abandoned, servicer must issue a breach letter no later than 75th day of delinquency.

On or after 90th day of delinquency, the first inspection takes place.

Days 106 – 120, within 15 days prior to foreclosure referral date: Pre-referral account review.

Day 121+ (for principal residences) and not later than Day 120 (for non-principal residences), referral to foreclosure if complete Borrower Response Package is not received.

[1] The servicer is authorized to continue contact attempts beyond the 210th day of the delinquency until Quality Right Party Contact is achieved, borrower response package is received, or delinquency status is resolved.

Comprehensive Disaster and Hardship Response

Through policies and guidance in our *Selling* and *Servicing Guides*, as well as recently-introduced solutions, Fannie Mae provides a comprehensive disaster and hardship response.

Homeowner support

- Suspend late charges.
- Fannie Mae's Disaster Response Network™, a comprehensive case-management service for disaster-affected homeowners whose mortgage loans are owned by Fannie Mae.
- Fannie Mae's Know Your Options provides help for homeowners and renters impacted by hardship, including "Here to Help" in response to COVID-19.

Partner support

- In some cases, reimburse seller/servicers for costs of inspecting impacted properties.
- In some cases, provide updated underwriting and appraisal flexibilities based on the disaster or hardship scenario.
- Update representations and warranties relief framework to address loans in disaster forbearance.

Home Retention solutions

Servicers are authorized to offer eligible borrowers forbearance plans for up to 12 months. Once those expire, loss mitigation options may include:

- The borrower resumes making mortgage payments and brings their loan current through reinstatement.
- The borrower is approved for another workout option, including a repayment plan, payment deferral, or modification option.

Property preservation

- Local field team at-the-ready to provide immediate preservation action for REO properties as needed.
- Conduct damage assessments on properties securing active and REOs using mobile technology and aerial photography as needed.
- REO properties are maintained to protect neighborhoods and value.

Neighborhood stabilization

- Fannie Mae's robust REO repair strategy helps to provide affordable housing for owner occupant purchasers.
- Community First enables community-minded buyers and entities focused on stabilization an opportunity to purchase REO homes.
- Support rebuilding efforts for REO properties in disaster impacted areas: Paradise, CA.
- Currently evaluating options to help strengthen houses against hurricanes and high winds to improve sustainability.

Fannie Mae's robust disaster and hardship response provides assistance to servicers to work with their homeowners in times of crisis.

Workout Hierarchy

Programs to help both servicers and borrowers manage delinquent mortgage loans and avoid foreclosure.

Retention Options	Forbearance	Agreement between the mortgage servicer and the homeowner to pause or reduce monthly mortgage payments for a certain period, allowing homeowners to resolve their short-term hardship.
	Reinstatement	Homeowner is able to resume making their regular monthly payments following a delinquency (or forbearance plan) and can repay the missed amounts all at once.
	Repayment Plan	Homeowners repay the missed amounts over a fixed period. They make their repayments along with their regular mortgage payment on a monthly basis.
	Payment Deferral	Designed to assist borrowers who have resolved a temporary hardship by deferring missed payments to the end of the loan term or earlier if the home is sold, property is transferred, or the loan is refinanced or otherwise paid off. **Payment deferrals are <u>not</u> treated as modification events in the structure.**
	Fannie Mae Flex Modification	Designed to assist borrowers who are experiencing a permanent or long-term hardship, the Flex Modification offers payment relief by extending the loan term and targeting a payment reduction, which may require an interest rate reduction. **Only interest rate reduction/principal forbearance resulting from a Flex Modification may entail modification losses.**
Liquidation Options	Credit Events	When retention is not a viable option, liquidation options include short sale, or Mortgage Release™ (Deed-in-Lieu of Foreclosure); or the loan is liquidated after the servicer refers the mortgage loan to foreclosure in accordance with applicable law.

Automated Loss Mitigation Decisioning System

Servicing Management Default UnderwriterTM (SMDUTM) determines whether a loan is eligible for a workout per Fannie Mae policy, provides borrowers with different temporary or permanent options for their delinquency, simplifies the execution of these options, and responds quickly to changing market conditions.

Superior risk assessment and messaging

Streamlined underwriting and messaging provides clarity and certainty

- Simplified view for different loss mitigation options.
- Streamlined experience on loan workout full life cycle.
- Standardized messaging helps servicers and borrowers.
- Decreases servicers' costs associated with implementing/maintaining Fannie Mae loss mitigation policy.

Rapid distribution of policies and product guidelines

Rapid delivery of new products, policy and eligibility criteria

- Fully integrated (through B2B API or UI) with all leading vendors.
- Available for use 24 hours a day, 7 days a week.
- Automated Rules engine and Agile squads for rapid delivery of new workout options + policy in response to changing market conditions (e.g., COVID-19).

Greater certainty and consistency

Standardized data set allows for increased consistency

- Leverages Fannie Mae-provided data, including originations data, property valuations, workout option history, etc.
- Ensures borrowers receive a consistent evaluation from servicer to servicer.
- Data views and messages can be leveraged by servicers for borrower communications.
- Limited R&W relief to servicers on all decisions and execution performed in SMDU.

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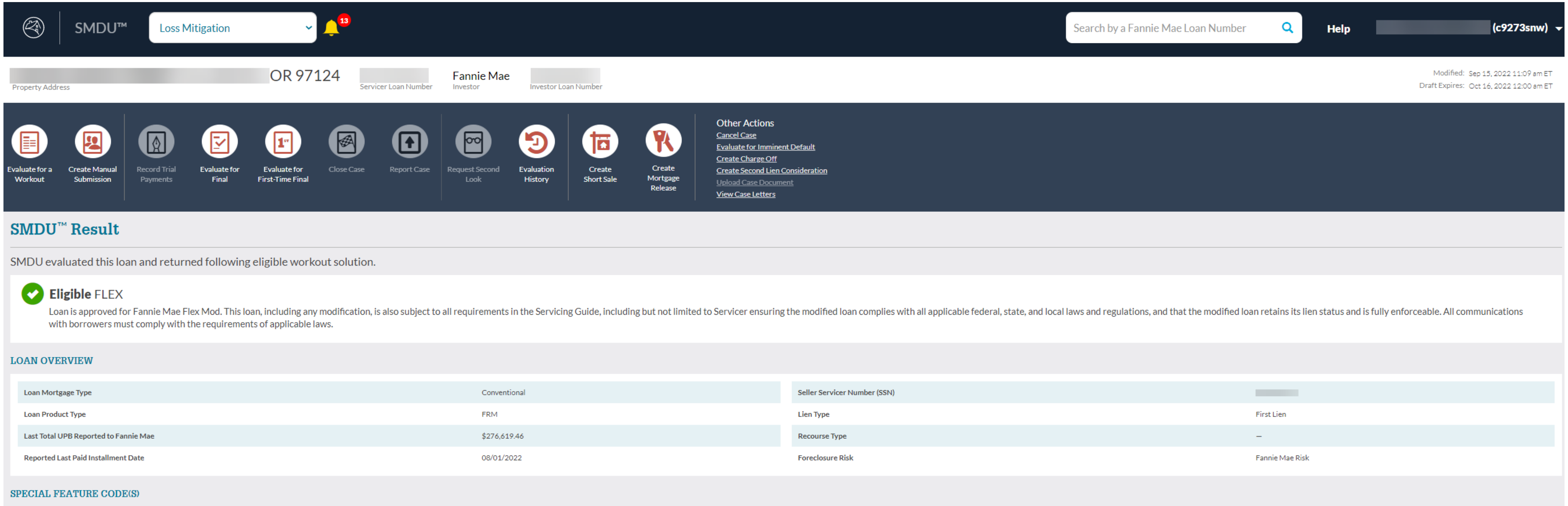
Servicing Management Default Underwriter



Foreclosure Management

Servicers ensure foreclosure proceedings are conducted appropriately by participating in foreclosure initiation, timeline management and reporting, and process management.

Foreclosure initiation	Timely and complete review of loans that are determined eligible for foreclosure prior to referral.
Timeline management and reporting	Maintain an accurate foreclosure timeline and status tracking system as well as all related foreclosure documentation.
Process management	Processes that monitor and manage MDC law firm performance related to foreclosure and bankruptcy.

Key metrics

- STAR™ timeline management metrics.
- Transition to beyond time frame.
- Motion for relief referred timely.
- Early warning notices (REOGram™) submitted within timeline.
- Title issues resolved within 45 Days.

Servicers play a key role in ensuring that foreclosure proceedings are conducted appropriately. Metrics track their performance and influence their STAR rating.

Property Disposition Strategies

Real Estate Functional Capabilities

Our full range of credit risk management capabilities includes our valuation, sales strategy, and fulfillment operations to maintain and make ready properties for sale.

Valuation

▼

Sales

▼

Fulfillment

- Full range of distressed loan and real estate disposition capabilities utilized for management of the portfolio. **Disposed of over 1.8 million properties since 2009.**
- Disposition capabilities include Non-performing Loan (NPL) & Re-performing Loan (RPL) Sales, Mortgage Releases (Deed-in-Lieu of Foreclosures), Short Sales, Foreclosure Auction Sales, REO Retail Sales, REO Auction Sales, and NSI Sales. Operational capabilities to support these various channels include Valuations, Property Preservation, Repairs, Title/HOA/Tax, Rental/Cash for Keys/Eviction, and Vendor Management.
- Fannie Mae utilizes a 100% in-house REO sales team leveraging a **~850-member nationwide listing agent network**. REO pre-marketing and marketing teams are assigned geographically based on volumes.
- Fannie Mae leverages our HomePath.com website, which has had **more than 75 million unique visitors since inception,** to market as well as manage offers and contracts for our REO properties, provide information to the public, and includes Community First and easy access to our short sale portal for real estate agents.
- Fannie Mae's peer performance as an REO disposition seller shows placement among industry leaders based on publicly available severity levels and MLS data.

Our real estate strategy is to support the Enterprise's mission of creating equitable and sustainable access to homeownership, supporting neighborhood stabilization, and minimize carrying costs.

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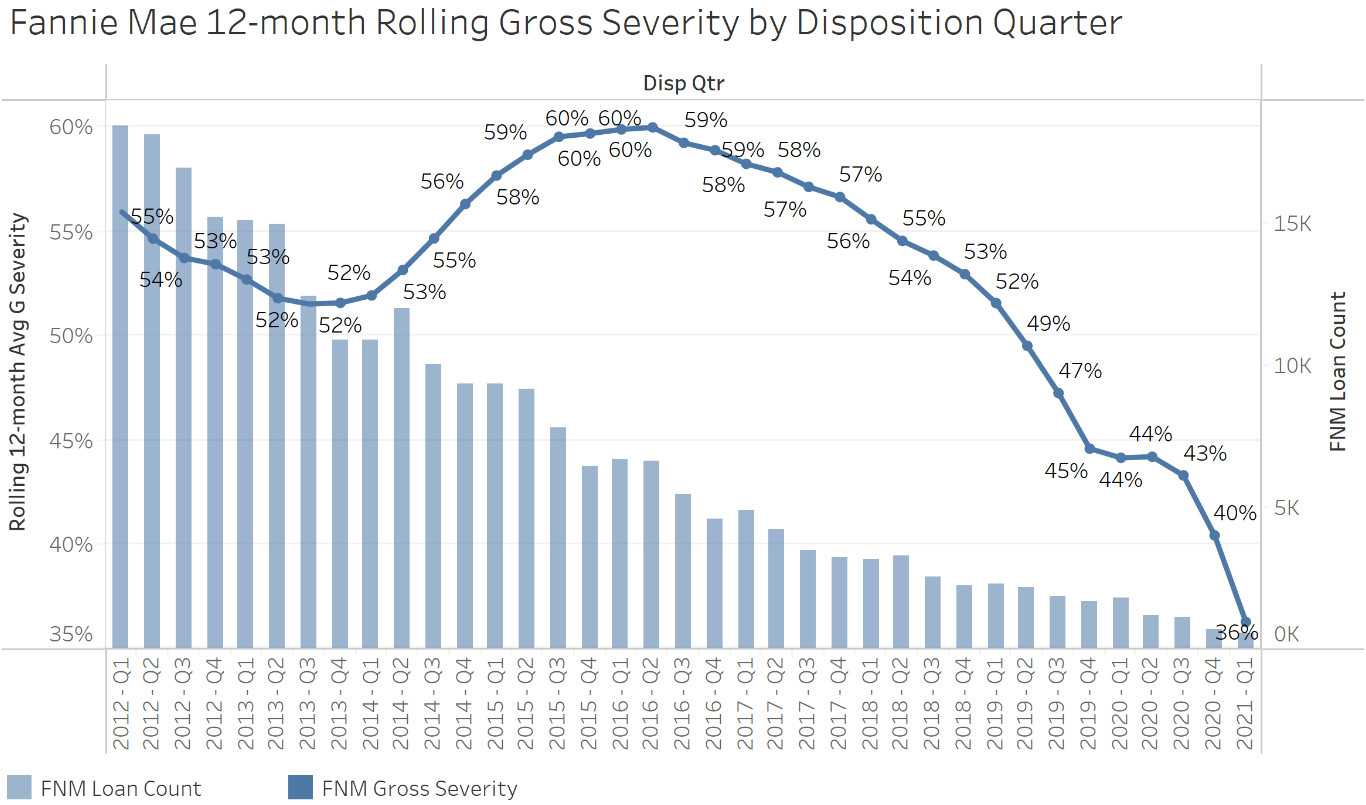
Our Best-in-Class Loss Mitigation Platform Reduces Loss Severity



Source: Fannie Mae Single Family Historical Standard Loan Performance Dataset. Population limited to loans disposed via short sale, third-party sale, and foreclosure sale, and having original amortization term > 300 month, excluding repurchase/makewhole loans, HARP loans and loans old via note sale.

Over the last 10 years, Fannie Mae's combined REO disposition channels have executed, on average, at 95% of value.

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Collateral Valuations

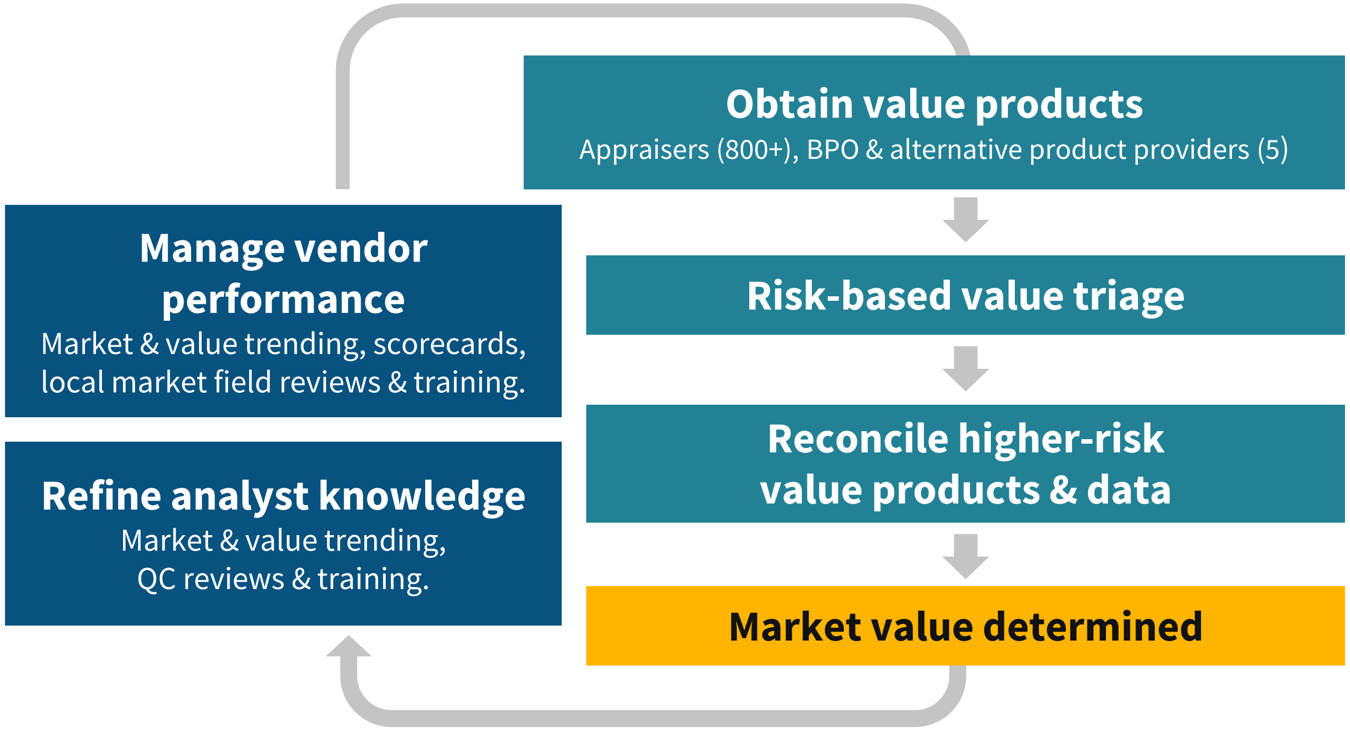
The Single-Family Collateral Valuations team determines property values to support REO sales, short sales, foreclosure sale bidding, MI terminations, and NPL/RPL sales.

Fannie Mae maintains an in-house property valuation team to determine property values supporting internal business decisions.

- A team of Fannie Mae employees, including representatives throughout the country in Fannie Mae's top markets who provide market intelligence and inspect properties that have been valued
- Leverage a panel of 800+ third-party appraisers and five national Broker Price Opinion (BPO) and alternative value vendors providing property condition and value information.

Why are we different?

1. **Best-in-class staff** — Experienced leadership and extensively trained reviewers avg ~25 years experience in valuations; field reps in key markets providing inspections and local market knowledge.
2. **Data & tools** — Collateral Underwriter & MLS; market leading valuation volume (>4M since 2008) creating trending analyses.
3. **Vendor performance** — Highly trained valuation product vendor panel; vendor scorecards continually refine vendor panels and performance drives future volume.



Provides property condition and comparables.

Leveraging Collateral Underwriter and other industry tools, AVMs, MLS, trending/ execution data.

As is value, as repaired value, repair estimate.

See our Property Valuation and Analytics demo:
https://capitalmarkets.fanniemae.com/credit-risk-transfer/single-family-credit-risk-transfer/credit-risk-management

Valuation Channels

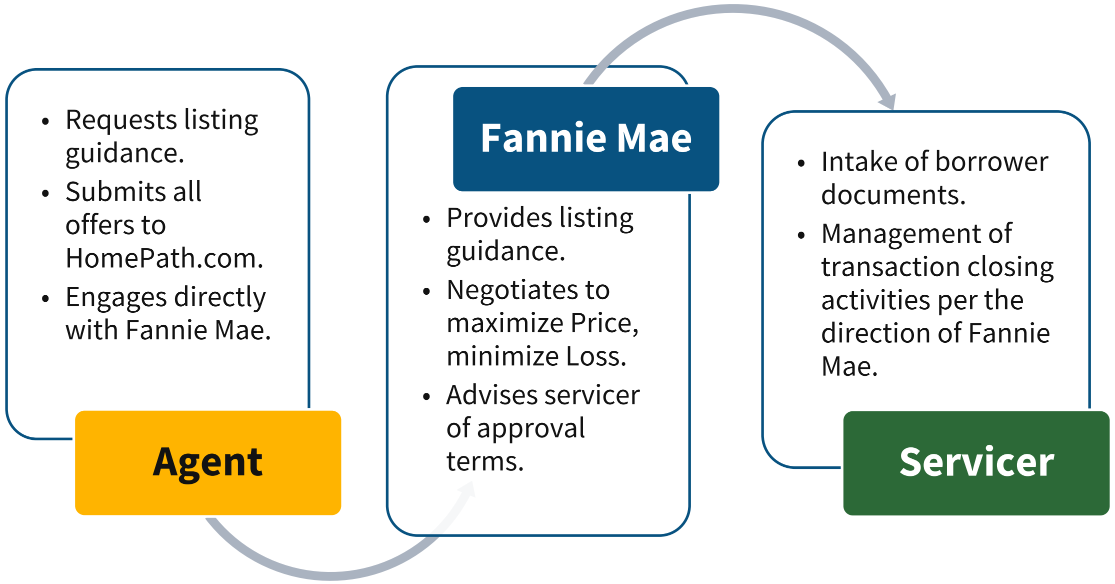
NPL/RPL	▪ ~12,000 every other month. ▪ Utilize exterior BPOs with multiple model validations; 18% review.
Mortgage Insurance Termination (MIT)	▪ ~6,500 monthly. ▪ Utilize interior BPOs or alternative appraisals on MI Cancellation; ~47% Review
Short Sale	▪ ~100 monthly. ▪ Utilize interior appraisal or interior BPO; 100% review.
Foreclosure Bidding (TPS)	▪ ~1,750 monthly. ▪ Utilize exterior BPOs; ~63% review.
REO & Mortgage Release	▪ ~400 monthly. ▪ REO: Utilize interior appraisals or alternative appraisals and listing agent BPOs; 100% review. ▪ Mortgage Release: 98% auto-designated vs 2% manual review.
Property Data Collection	▪ ~750 PDC submissions per week ▪ Total manual reviews of over 1,500 per month

All figures as of September 2022.

Pre-Foreclosure Disposition Options

Short sales

- Fannie Mae manages offer negotiation process in-house.
- Pricing determined in conjunction with our valuations team and borrowers negotiate through listing agent.
- All borrower direct communications are distributed through the servicer.
- By managing process in-house, Fannie Mae achieves lower severity, reducing credit losses over a delegated model.



Mortgage Release™

- Mortgage Release (also known as a Deed-in-Lieu of Foreclosure) provides borrowers an expedited option to resolve their delinquency and avoid foreclosure.
- The borrower deeds collateral property to Fannie Mae in exchange for release of repayment obligations under the mortgage.
- Upon completion of a Mortgage Release, the borrower receives a deficiency waiver.
- Borrower may choose between three options: immediate vacancy, a 3-month, or 12-month transition.
  - 3-month: Borrower permitted to live in the property rent free for 90-day period.
  - 12-month: Borrower leases for 12 months at market rent.
- Mortgage Release option contributes to an average net present value savings over REO.

Property Management Overview

Our property management services seek to enhance the marketability of our properties while supporting neighborhood stabilization.

Maintenance & field quality control

- National and regional supplier mix providing initial and on-going services
- Multiple layers of QC (broker sign-off, third-party inspections, and in-house field reviews)
- Diverse inspection products (vacant, occupied, repair, and rental)
- Code compliance and vacant property registration teams

Occupied Property Management

- Relocation assistance program
- Occupied sales via auction strategy
- “Eviction as a Last Resort” framework
- Multiple lease products offered
- Hybrid in-/out-sourced model for eviction/redemption follow-up

Title, closing, HOA/tax operations

- Curative and closing functions leveraging local & national attorneys and suppliers
- Flexible capacity model for title follow-ups and closings
- HOA, COA, tax identification, negotiation, and payment facilitation
- Multiple disposition channel support including digital closings

Before	After

Initial/routine services

Curb appeal

Clear boarding

 |

Repair Strategy

Evolution within our REO repair strategy has increased repair rates and investment over time, resulting in increased access for owner occupants to purchase move-in-ready homes.

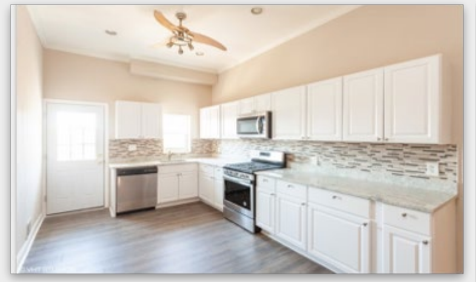
- Since 2010 Fannie Mae has repaired more than 280k properties.
- Seasoned local and regional Repair Contractor Network.
- Proprietary modeling tool (RHINO) to provide non-discretionary repair decisioning along with net present value monitoring.
- Mobile scoping capabilities offering standardized product selection & quality assurance of repairs.
- Negotiated material/labor pricing for roofing, plumbing, carpentry, electrical, flooring, etc.
- Specialized products and supplier alliances.
- Energy-efficient and water-saving products.

Fannie Mae's repair strategy has had a significant impact on loss severity management and community stabilization, evolving over time to fit the unique needs of the company's mission and affordable housing objectives.

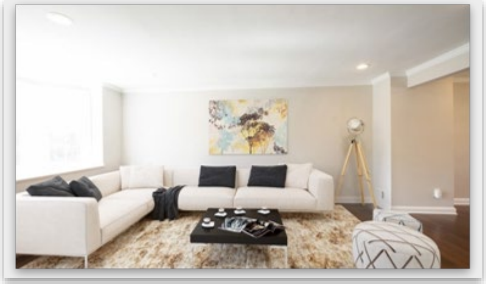
Before

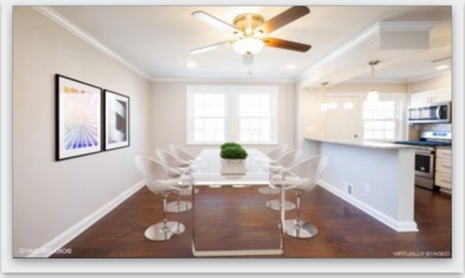
After

Before



After





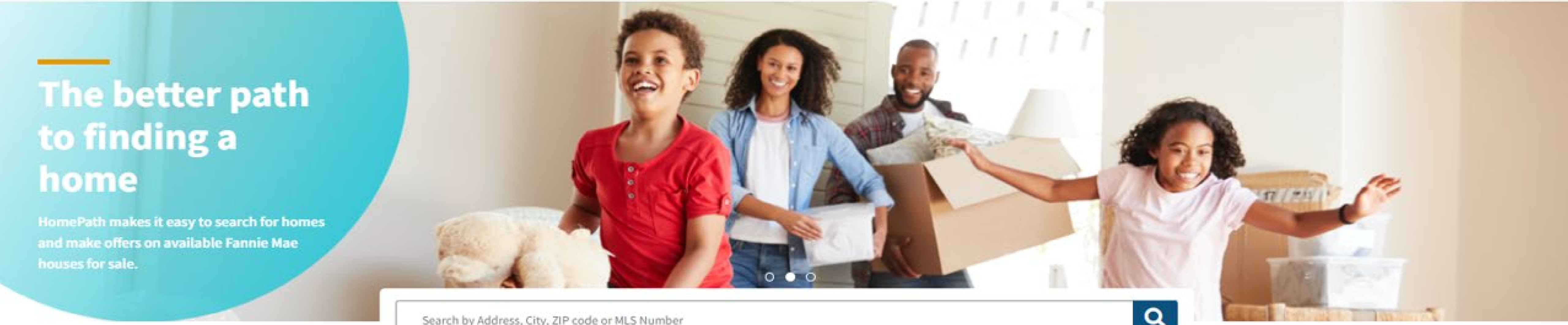
Virtual staging

Closing cost assistance may be available for owner-occupant buyers of HomePath properties if household income is at or below the area median income (AMI). Learn more >>

About HomePath | FAQs | Contact Us

HomePath by Fannie Mae

Search Homes | Homebuyers | Real Estate Professionals | Community First | How It Works | Short Sales | Login | Sign Up



Search by Address, City, ZIP code or MLS Number

Complete new design and updated features include:

- 30-day FirstLook™ Period
- Community First by Fannie Mae™ integrated on platform
- MLS integration
- Curated offer experience for Fannie Mae properties
- Transparent multiple offer process
- DocuSign integration for contracts

We enhance and repair as many properties as possible to support sustainable homeownership for homebuyers and all communities. Our repair focus emphasizes our commitment to neighborhood stabilization nationwide.

Also, through Community First by Fannie Mae™, we provide approved community-minded buyers with priority access and competitive pricing to help them implement local solutions for affordable housing and stabilization across the country.

Exclusive Access to Properties with First Look

Homebuyers and community-minded organizations (public entities and some non-profits) can purchase newly listed Fannie Mae-owned properties (real estate owned) properties without competition from investors – just look for the First Look™ icon on the property page.

Transparent Offer Process

Sign up and register to make an offer and track the progress through your offer dashboard.

Comprehensive Search Tools

Find Fannie Mae owned properties in your desired location, save custom searches, and be notified when new listings are available.

HomePath Quality

Fannie Mae works with vendors to ensure the quality of maintenance services, producing market-ready properties and maintaining them until removal from our inventory.

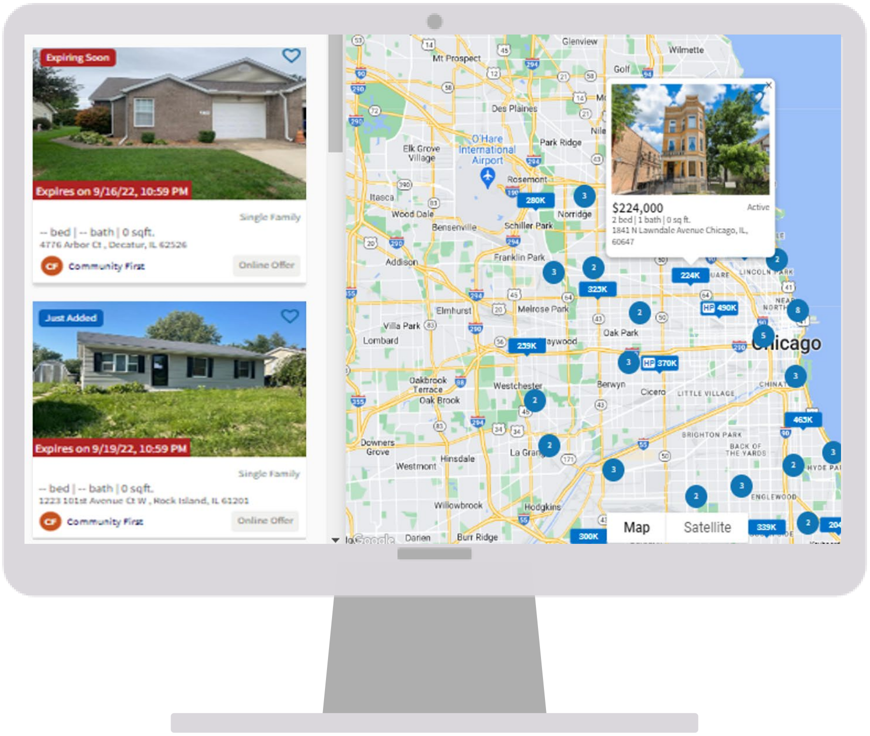
Existing HomePath features include:

- Easy connection to Short Sales portal
- Affordability and mortgage calculators
- Feature Fannie Mae properties with HD photos
- Marketing resources available for agent network
- Syndication of Fannie Mae properties to other websites (such as Zillow®, Realtor.com, etc.)

Community First by Fannie Mae™

Fannie Mae's proprietary technology platform for approved mission-based organizations to help support neighborhood stabilization and affordable housing across the country.

Community First provides exclusive access to REO properties through a customized user experience and transparent transaction process.



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