Fannie Mae’s Single-Family MBS Disclosures
Fannie Mae understands the importance of disclosures to market participants and the impact that information regarding securities has on the trading and the liquidity of MBS.

As a result, over the last five years, Fannie Mae has continued to provide additional disclosure. In 2007, we began providing third-party originator at the pool level and in 2009, we began providing combined-loan-to-value ratio at the pool level. In order to provide even more increased transparency, in the first quarter of 2012, we began publishing at-issuance loan-level disclosure for our single-family MBS pools.

In this MBSenger, Fannie Mae wants to further inform market participants about the following aspects of our Single-Family MBS:

- How data flows from lenders to our disclosures used to value MBS;
- Strategic improvements that we have made in an attempt to ensure data used by market participants is reliable; and
- What investors should do if they have questions about disclosure regarding a specific pool.

Fannie Mae’s Disclosure Application – PoolTalk®
Fannie Mae MBS disclosures are published at the time of issuance of a security and then subsequently updated monthly. We utilize a disclosure application called PoolTalk which is our easy-to-use information tool available on our website providing investors with 24-hour-a-day access to the pool information they need to evaluate their Fannie Mae MBS investments. Through PoolTalk, investors have access to Fannie Mae MBS data on current and historical pool factors, pool types, CUSIP numbers, issue and maturity dates, pass-through rates, original and updated weighted-average coupons (WACs), and weighted-average maturities (WAMs). Some of the information available on PoolTalk includes the following:

- At issuance of a security, Fannie Mae publishes a prospectus supplement that contains pool level information about the loans in a particular pool (at issuance statistical information is also available on PoolTalk);
- A quick view of “Security Details”; and
- Ongoing information containing updated data as a pool ages.

For your convenience, we have provided sample screen shots below of each of the pages.
Furthermore, we also provide aggregated files on PoolTalk such as New Issue Pool Statistics and at-issuance Loan Level Disclosure as well as ongoing Monthly Reporting Files.

Data Updates
Our disclosures are based on information reported to us by sellers at issuance of an MBS and servicers, on an ongoing basis, subsequent to the month of issuance. Sellers make representations and warranties to Fannie Mae regarding the mortgage loans in a particular pool, when they sell us loans. In limited circumstances, sellers and servicers that have provided incorrect data may need to update the information that they have reported.

As a result of sellers or servicers reporting changes, MBS disclosure data may be updated. These changes are reflected during various times over the life of an MBS. Some changes may occur related to at-issuance disclosure, while other changes may impact the ongoing disclosure for the MBS.

Changes in the First 90 days from the Issue Date. The Securities Industry and Financial Markets Association has established Guidelines on Delivery of Offering Materials Relating to GSE Securities. These guidelines define a distribution period as “The later of (a) ninety (90) days following its Issue Date or (b) the end of the period in which such Dealer is acting as an underwriter with respect to such sale.”

When changes that affect disclosure are made during the 90 day distribution period, Fannie Mae identifies the changes in the prospectus supplement (offering document) by placing a red box around the page of the prospectus supplement that has revisions and marking the document as “revised.”
Changes after the First 90 days from Issue Date. Data updates impacting disclosure that occur after the distribution period are typically not made in the prospectus supplement. These data changes occur as part of our ongoing disclosure on PoolTalk. In certain circumstances, to highlight a change, Fannie Mae may provide a banner to the pool, which may include a message describing what data elements were changed.

Data Quality Initiatives
We recognize the importance of reported data in the disclosure process. Accordingly, we have implemented several initiatives to enhance data quality and continue to place data quality as a top priority. Beginning in 2010, the Loan Quality Initiative (LQI) was begun to promote complete and accurate loan data, eliminate the delivery of ineligible loans, and reduce repurchase risk and pricing errors. Since that time, we have implemented a number of changes in the data collection and validation processes, which have now become a standard part of our business operations.

The main components of the LQI were:

- Policy updates that required more loan data and other data validations,
- The Uniform Mortgage Data Program® (UMDP®)\(^1\) that established a standardized approach to appraisal and loan delivery data collection,
- Implementation of support tools such as EarlyCheck™, and
- A series of new quality control measures throughout the delivery process.

Furthermore, as part of UMDP, Fannie Mae and Freddie Mac transitioned their single-family loan delivery file formats to the industry standard MISMO Version 3.0 Reference Model and increased the data elements required at the time of loan delivery. We call this the Uniform Loan Delivery Dataset (ULDD).

Through our work on ULDD, we established a common usage for the majority of the loan delivery data elements and minimized differences between Fannie Mae and Freddie Mac wherever possible. Currently, the ULDD data is collected in tandem with our loan delivery data and some elements of the ULDD data are used for validation.

Additional information regarding these initiatives may be found on our website at https://www.fanniemae.com/singlefamily/delivering.

Investor inquiries
If an investor has questions related to an MBS, whether it be related to data, prepayment speeds, or any other reason, they are encouraged to contact Fannie Mae's Fixed-Income Securities Marketing Help Line at 1-800-237-8627. The analysts will work with the investor to research the issue and discuss appropriate actions.

Subsequent Updates
We continue to review our disclosure practices to ensure we are communicating effectively to the market. We will inform market participants in a subsequent communication regarding any revisions to our policies with respect to data changes.

For more information on Fannie Mae's PoolTalk application, please use the link below: https://mbsdisclosure.fanniemae.com/PoolTalk2/index.html

\(^1\)Uniform Mortgage Data Program is a registered mark of Freddie Mac