



## Certainty: A Shared Commitment

Fannie Mae is focused on partnering with lenders to increase certainty of loan eligibility through a shared commitment to improving loan quality and working together to minimize lenders' already low level of repurchase risk.

**NOTE:** *Less than 0.5% of loans delivered to us in the first nine months of 2014 (as of June 30, 2015) resulted in a repurchase request being issued.*

### How we are working with our lender partners...

<b>Representation and warranty relief</b>	<ul style="list-style-type: none"> <li>▪ Updated framework provides more clarity, certainty, and transparency about post-delivery lender rights and obligations.</li> <li>▪ Rep and warrant relief generally occurs after 36 months of payments (12 months for HARP/Refi Plus™ loans) or satisfactory full-file review.</li> <li>▪ More than 1 million loans (as of June 30, 2015) delivered to Fannie Mae since January 2013 have achieved relief of rep and warrant obligations, and millions more will become eligible for relief beginning in January 2016, based on 36 months of payments.</li> </ul>
<b>The cost of missing documents in loan files</b>	<ul style="list-style-type: none"> <li>▪ 40–60% of the repurchase requests Fannie Mae issues are resolved with provision of a document that could have been provided with the original file.</li> <li>▪ Use of the Post-Closing Loan File Document Checklist (<a href="#">Form 1032</a>) when preparing loan files for quality control (QC) reviews is recommended.</li> </ul>
<b>Resolutions and remedies</b>	<ul style="list-style-type: none"> <li>▪ Fannie Mae has shifted its post-purchase QC infrastructure and processes from a focus on loss mitigation to a focus on increasing certainty through defect prevention, remedies, and alternatives to repurchase.</li> <li>▪ Fannie Mae has introduced a remedies framework (Announcement <a href="#">SEL-2015-11</a>) to more clearly: define origination defects (by their severity and resolution), provide for lender corrections of defects, and describe available remedies (including repurchase alternatives and price adjustments).</li> </ul>
<b>Loan quality feedback for lenders</b>	<ul style="list-style-type: none"> <li>▪ Fannie Mae seeks to provide lenders the most timely, accurate, actionable, and efficient loan quality feedback in the industry.</li> <li>▪ Fannie Mae provides a robust feedback loop with monthly reporting on the results of our QC file reviews to help lenders improve their loan manufacturing operations.</li> </ul>
<b>Risk management tools for lenders</b>	<ul style="list-style-type: none"> <li>▪ Desktop Underwriter® (DU®) – This industry-leading automated underwriting system provides lenders a comprehensive credit risk assessment that determines whether a loan meets Fannie Mae’s eligibility requirements.</li> <li>▪ Early Check™ – Gives lenders access to Fannie Mae delivery edits to help them identify and correct potential eligibility and/or data issues early in their processes and prior to loan delivery.</li> <li>▪ Collateral Underwriter™ (CU™) – This appraisal risk assessment application helps lenders manage appraisal quality.</li> </ul>
<b>Training and resources for lenders</b>	<ul style="list-style-type: none"> <li>▪ QC Boot Camp: This popular classroom training is offered exclusively to Fannie Mae lenders.</li> <li>▪ Free webinars on QC topics.</li> <li>▪ <a href="#">QC Self-Assessment Worksheet.</a></li> </ul>

Click on the [Certainty](#) tab for more information and resources.