

Feb. 6, 2019

Executive Overview of *Selling Guide* Updates

The February 2019 *Selling Guide* Announcement introduces Loan Quality Connect™, our new system for managing the post-purchase review process. Loan Quality Connect is part of our continuing efforts to provide our lending partners with tools that reduce cost and inefficiencies. This update also clarifies policies related to the cost of funds index (COFI) and postponed improvements. The update:

- Describes the use of Loan Quality Connect for post-purchase reviews. To manage the post-purchase review process, we have launched Loan Quality Connect, an interactive system in which Fannie Mae and our lenders work together to drive loan quality. This state-of-the-art platform replaces the Quality Assurance System (QAS) and several other processes. We've updated the *Selling Guide* to reflect process changes and remove references to QAS. Visit the Loan Quality Connect web page for information, training materials, and details on how we're working to bring you simplified technology, seamless collaboration, and increased certainty.
- Removes references to the COFI. In Jan. 2020, we will retire the Cost of Funds Index (COFI) and all associated adjustable-rate mortgage (ARM) plans, including 681, 682, 760, and 761. All references to the COFI and associated ARM plans have been removed from the *Selling Guide*. We'll provide more information on a substitute index soon.
- Clarifies requirements for postponed improvements. We've clarified that escrow accounts used for postponed improvements must satisfy the requirements listed in the *Servicing Guide*.

See [Announcement SEL-2019-01](#) for details of these and other miscellaneous updates.

New *Selling Guide* publication cycle

The February 2019 *Selling Guide* update marks the start of a new publication cycle. The *Selling Guide* will be updated on the first Wednesday of every month instead of the first Tuesday. The revised schedule aligns with our new *Selling + Servicing News* message that is distributed on Wednesdays, meaning fewer emails and more time to focus on your business.

Thank you,



Carlos Perez