

Fannie Mae to Implement Alphanumeric MBS Pool Number Field Format

This edition of MBSenger¹ provides details about the upcoming pool number field format change to help market participants anticipate any system modifications or other adjustments required to accommodate the change. Currently, Fannie Mae MBS pool numbers consist of six numeric characters (e.g. '123456' or '987654'). Additionally, each pool is further defined by a two-character prefix preceding the pool number (e.g. 'CL-123456' or 'CL-987654') that identifies the type of mortgage loans in that pool and the basic terms of the certificate, such as maturity and payment schedule. Fannie Mae is now issuing MBS pool numbers in the 950000 series. At a consumption rate of approximately 5,000 to 10,000 pool numbers per month, Fannie Mae expects to issue the last available six-digit numeric pool number between March and June 2008.

To minimize the impact to our customers and the market, Fannie Mae has chosen not to extend the length of the pool number field format. Rather, Fannie Mae will move to a six-character alphanumeric numbering system after the pool number '999999' has been issued.

Description of the Alphanumeric MBS Pool Number

Pool numbers in the new format will continue to contain six characters, with the first two characters being uppercase letters and the last four characters being numbers. The first two uppercase letters will have no relation to the two-letter pool prefix. The pool numbers will be issued sequentially. For example, when pool number '999999' is issued, the next pool number assigned under the new protocol will be 'AA0000.' After 'AA9999' has been assigned, the next pool number issued will be 'AB0000.' After 'AZ9999' has been assigned, the next pool number issued will be 'BA0000,' and so forth. The alphanumeric pool number field format provides a unique pool number to each Fannie Mae MBS pool.

One exception to the sequential processing of pool numbers is that the 'MA0000' through 'MZ9999' range has been reserved to designate Fannie Majors[®] pools. Fannie Majors pools are backed by potentially more diversified pools of loans that are generally from multiple lenders and available for groups of fixed-rate mortgages, seven-year balloons, and adjustable-rate mortgages. Currently, this reservation is the only product-specific pool numbering exception.

Test Files Now Available

In preparation for the new MBS pool number format, Fannie Mae created test files to include alphanumeric pool numbers, which are accessible in the Headlines area of the Mortgage-Backed Securities section of the Fannie Mae website under 'Fannie Mae Expected to Implement Alphanumeric MBS Pool Number Field Format.' (<http://www.fanniemae.com/mbs/newpoolnumberformatannouncement.jhtml>). These test files enable market participants to determine if they require any system modifications in order to consume the new pool number format. One test file, TF Sample File 1, is the MBS Stats file, while the other test file, NIPS Sample File 2, is the New Issues Pool Statistics (NIPS) file.

The MBS Stats file discloses pool-level data for all fixed-rate and adjustable-rate pools. The pool-level attributes include CUSIP number, pool prefix, pool number (the test file includes both the numeric pool number and the new alphanumeric pool number), current factor, current balance, weighted-average coupon (WAC), and weighted-average maturity (WAM). The MBS Stats file is located in the Search Tools and Resources area of the Mortgage-Backed Securities section of the Fannie Mae website: (<http://www.fanniemae.com/mbs/tools/pooldatadirect.jhtml>).

¹This edition of MBSenger is an update to the MBSenger published in November 2006, titled *Fannie Mae Will Introduce Revised MBS Pool Number Field Format*. (http://www.fanniemae.com/mbs/pdf/mbsenger_revisedpoolnumber.pdf)

When pool number '999999' is issued, the next pool number assigned under the new protocol will be 'AA0000.' After 'AA9999' has been assigned, the next pool number issued will be 'AB0000.' After 'AZ9999' has been assigned, the next pool number issued will be 'BA0000,' and so forth.

The NIPS file contains at-issuance pool data on all Fannie Mae MBS pools closed on a specific day. The file, typically available the next business day, contains information for all Fannie Mae single-family, multifamily, Megas, and Majors MBS pools issued in the prior business day. The file, preliminary and subject to change up to 48 hours prior to the Book-Entry Delivery Date for each respective security, contains data such as the pool number (the test file includes both the numeric pool number and the new alphanumeric pool number), CUSIP number, issue date, pass-through rate, WAC, WAM, maturity date, issue unpaid principal balance (UPB), loan-to-value ratio, and credit scores of borrowers. The NIPS files are located in the MBS area of the Mortgage-Backed Securities section of the Fannie Mae website under 'Monthly Reporting Data.' (<http://www.fanniemae.com/mbs/data/mbs/newisspoolstats.jhtml>)

Pool Prefix Format Remains Unchanged

The pool number change does not impact the pool prefix, the two-character alphanumeric designation assigned to each Fannie Mae MBS that precedes the pool number. Pool prefixes identify the type of mortgage loans in the pool as well as the basic terms of the MBS. For example, the prefix 'CL,' indicates a pool composed of long-term, level-payment, single-family, conventional mortgages that mature or are due in 30 years or less. Therefore, a pool comprised of such loans would be identified as 'CL-AA1234' in the new format. For additional information on pool prefixes, please see the Pool Prefix Glossary in the Mortgage-Backed Securities section of the Fannie Mae website under 'Search Tools and Resources.' (<http://www.fanniemae.com/mbs/tools/prefixglossary.jhtml>)

MBS Alphanumeric Pool Number Changes

- ▶ Six character alphanumeric pool number consisting of two uppercase letters for the first two characters and numbers for the remaining four characters.
- ▶ Pool numbers will be issued sequentially. Example: When pool number '999999' is issued, the next pool number will be 'AA0000.' After 'AA9999' is assigned, the next pool number will be 'AB0000.'
- ▶ Pool number range 'MA0000' through 'MZ9999' is reserved to designate Fannie Majors pools.
- ▶ Test files are available at: http://www.fanniemae.com/mbs/newpoolnumberformat_announcement.jhtml
- ▶ No impacts to pool prefix.

For More Information

Please contact the Fixed-Income Investor Helpline by phone at 1-800-237-8627 or 202-752-8510 or e-mail at bestmbs@fanniemae.com.

MBSenger is published by Fannie Mae's Fixed-Income Marketing Group

Helen McNally
Senior Product Manager, Fixed-Income Marketing
(202) 752-7704
helen_mcnally@fanniemae.com