

Frequently Asked Questions

Update Regarding Removal of Loans from Certain Mortgage-Backed Securities (MBS) Pools

In reference to Fannie Mae's [MBS Investor Announcement dated April 11, 2017](#).

Q1. Why were the loans removed from pools?

Fannie Mae experienced a system error when these loans were pooled at the time of MBS issuance. Per Fannie Mae's Trust Agreement, Fannie Mae must remove such loans from the MBS once it is determined that they are ineligible. As a standard practice, the removal of a loan from a pool, for any reason, is identified as a prepayment in general MBS disclosure.

Q2. Will the loans that were removed be included back into the pools and will the factor that was published in April be reversed?

The mortgage loans were removed due to an at-issuance system error, causing the loans to be ineligible to be delivered into the previously issued MBS, thus forcing their removal from the pools. The factor that was published in April 2017 was correct as it reflected the removal of these loans. Per standard convention, loans that are removed from MBS for any reason are disclosed as a prepayment. The loans will not be included back into these pools and the factor information will remain as released.

Q3. Is the issue due to an underlying issue with the loans delivered by a Fannie Mae seller or servicer?

No, this issue is not related to any Fannie Mae seller or servicer, nor to an issue with the underwriting of the underlying loans. This issue was driven by a Fannie Mae system error.

Q4. What is the Fannie Mae system issue?

The issue was a coding error in our pooling system. That system error has been fixed.

Q5. Is the Fannie Mae system issue resolved? Will there be more pools that will be impacted in the near future?

During the process of making system enhancements to our pooling system, we reviewed existing code and determined that there was an error. The coding issue is now resolved.

Once we determined the issue, we immediately started the process to identify the loan population that was ineligible to be pooled into these previously issued MBS. We believe that the vast majority of loans that were impacted have already been removed.

Q6. Is this issue concentrated in a particular coupon and / or particular vintage?

No, the issue was not concentrated in a particular coupon or vintage.

Q7. What is the full list of pools impacted by this Fannie Mae system error?

The list of impacted pools is available in the [recent announcement](#). Along with the impacted pool numbers, the list includes UPB pay downs broken out between those that were the result of the system error and those that were the result of normal course of business activity in order to assist market participants in their analysis.



Q8. Can you provide a list of CMOs and Megas that were impacted by the system error?

The list of impacted REMIC deals and Mega pools is available in the [recent announcement](#). The related CUSIPs can be found in the prospectus supplement for each deal, or via third-party data vendor tools.

Q9. What is your claims process?

Several years ago, Fannie Mae created a process to enable investors to claim us when they have an inquiry into the performance of MBS that they own. The claims form is available [here](#) along with instructions for submitting.

Q10. How long does it take for Fannie Mae to review the claim?

We strive to respond to all claims as quickly as possible.

Q11. Can CMO holders submit a claim?

Yes, any type of security holder can submit a claim to Fannie Mae.

Q12. If an investor's record date is after the date in which the loan removal announcement was published, can the investor submit a claim?

Yes, the claim can be submitted. We will take the information provided into consideration.