

Single Security Transition - Draft Analysis

Questions: Are there groups or individuals we want to use to help us with outreach? How do we want to organize our outreach -- by effect? Timing? Other? Do we need to develop different communications channels or tactics?

	WHO	ROLE	WHAT THEY NEED TO KNOW	WHAT THEY NEED TO DO	BY WHEN	DO WE HAVE A CONTACT	COMMUNICATIONS CHANNEL	NEXT STEPS
P R I N C I P A L S	FHFA	Enterprise regulator and Conservator	How long the market needs to prepare for the Single Security	Announce the Single Security Names	TBD 2016	N/A	Regular outreach to market - meetings, reports, conferences, Scorecard	
				Announce Single Security Implementation Date	TBD	N/A	Regular outreach to market - meetings, reports, conferences, Scorecard	
				Publish regular updates on the Single Security; share information with the market	Ongoing	N/A	Regular outreach to market - meetings, reports, conferences, Scorecard	
	Fannie Mae, Freddie Mac, CSS	Securities Guarantors and Issuers and Securities Operations "Vendor"	How long the market needs to prepare for the Single Security	Finalize Single Security features, disclosure elements and format, data and file formats, user interfaces, testing parameters	Q3 2016	N/A	Regular outreach to market - meetings, reports, conferences, Scorecard	
				Communicate commingled resecuritization fees (if any)	Prior to Single Security launch	N/A	Existing outreach to dealers and investors	
				Update marketing materials and legal documents (e.g., customer agreements, Offering Circulars and S/S Guide) to reflect the Single Security names and features	Prior to Single Security launch	N/A	Updated materials, website/postings	
	Freddie Mac	Securities Guarantor and Issuer	How long the market needs to prepare for the Single Security	Finalize parameters of exchange, including float compensation, exchange portal access for dealers, and vendor support (if any)	90 days prior to Single Security launch	N/A	Regular outreach to market, FHFA Scorecard, Project progress reports	

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FRONT END	Mortgage Originators	Create mortgages and package them for sale to the GSEs, using GSE-established parameters	When will their contracts with the GSEs will be updated; what changes as move from current securities to Single Security	Prepare for launch and any changes to origination parameters based on SS; manage their loan pipeline to meet Single Security-based contract terms; work with their LOS vendors and systems to determine if there are any effects they need to plan and possibly test for	At the latest, 90 days before Single Security launch (for new customer agreements to be executed)	Yes- Fannie Mae and Freddie Mac have extensive customer databases	Use our regular Seller communications channels (web, sales force, email) and relevant Guide updates	
	Mortgage Servicers	Service mortgages for the GSEs and originators; collect payments and forward to GSEs; manage custodial accounts; manage non-performing loans	When their GSE contracts will be updated; if there are changes to the servicing/remittance cycle	Prepare for launch and any changes to servicing parameters; work with their vendors to ensure they are prepared for any systems effects	At the latest, 90 days before Single Security launch (for new customer agreements to be executed)	Yes - Fannie Mae and Freddie Mac have extensive customer databases	Use our regular Servicer communications channels (web, sales force, email) and relevant Guide updates	
	Mortgage Insurers	Provide private mortgage insurance (PMI) to offset losses when a borrower is not able to repay the loan and the lender is not able to recover its costs after foreclosure and sale of the home	Understand any Single Security effects to seller/servicer agreements or MI requirements	Prepare for launch and any changes to origination/servicing parameters due to the Single Security. Help their customers prepare	At the latest, 90 days before Single Security launch (for new customer agreements to be executed) if there are effects	Yes - Fannie Mae and Freddie Mac work with the Mis. Seller/Servicers would also contact the Mis they work with	Use our regular Seller/Servicer communications channels (web, sales force, email)	
	LOS Vendors	Develop, sell, and maintain software, systems and websites that enable lenders and mortgage brokers to originate loans, including tracking location, agency, and documentation needs	Understand any new Single Security data collection requirements; TBD if these vendors need to understand new disclosure data elements and schema	Depending on effects, update systems/software and test results. Roll out changes to customers and ensure they are ready	Prior to launch	Yes - Fannie Mae and Freddie Mac have contacts with the LOS vendor community, as do Sellers	Use our regular Seller/Servicer communications channels (web, sales force, email) and relevant Guide updates. Also, vendor relations team and vendor newsletter	

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Servicing System Vendors/Service Bureaus	Develop, sell, and maintain software, systems, and websites that enable servicing of performing and non-performing mortgage loans. Provide contract services to manage/service loans	Understand any new Single Security data collection or processing/remittance requirements; TBD if these vendors need to understand new securities disclosure data elements and schema	Depending on effects, update systems/software and test results. Update process documentation. Roll out changes to customers and ensure they are ready	Prior to launch	Yes - Fannie Mae and Freddie Mac have contacts, as do our servicers	Use our regular Seller/Servicer communications channels (web, sales force, email) and relevant Guide updates. Also, vendor relations team and vendor newsletter	
Custodial Banks	Work with Seller/Servicers to maintain P&I and escrow payment account monies due to the GSEs. The GSEs determine the standards for eligible custodial institutions that lenders can work with	Understand any Single Security account management, processing/remittance or settlement effects	Depending on effects, update processes and schedules to reflect Single Security requirements. Test changes to ensure continued smooth operations	Prior to launch	Yes - Fannie Mae and Freddie Mac have contacts, as do our servicers	Regular communications channels; Guide updates	
Document Custodians	Manage mortgage notes, assignments and other related documents for lenders on behalf of the GSEs. The GSEs set the standards for custodial arrangements, which can include designated custodian(s), third-party custodian(s) or self-custody	Understand any potential effects from the Single Security	Depending on effects, update processes/operations	Prior to launch	Yes - Fannie Mae and Freddie Mac have contacts, as do our servicers	Regular communications channels; Guide updates	
Loan Pricing Engine Vendors (e.g., Loan Sifter, OpenClose/DecisionAssist, Mortech)	Work with Sellers to help them price their loans effectively based on loan terms, locks, settlement dates, etc.	Understand any potential effects from the Single Security	Depending on effects, update systems or software and test. Roll out changes to customers	Prior to launch	Sellers will need to work with their vendors	TBD	
Pipeline Management System Vendors	Sellers use this software to help them move a loan through their pipeline to closing and manage risks along the way	Understand any potential effects from the Single Security	Depending on effects, update systems or software and test. Roll out changes to customers	Prior to launch	Sellers will need to work with their vendors	TBD	

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	Mortgage Bankers Association	Trade association for banks that originate and service mortgages, as well as other associated institutions	Understand effects of the Single Security on their constituencies, particularly Operations	Provide input on effects to the Single Security principals; facilitate constituency readiness	At least 12-15 months prior to launch	Yes	TBD	
	ICBA	Trade association for smaller, community-based banks	Understand effects of the Single Security on their constituencies	Provide input on effects to the Single Security principals; facilitate constituency readiness	At least 12-15 months prior to launch	Yes	TBD	
	ABA	Trade association for banks that originate and service mortgages	Understand effects of the Single Security on their constituencies	Provide input on effects to the Single Security principals; facilitate constituency readiness	At least 12-15 months prior to launch	Yes	TBD	
	CUNA	Credit union trade association	Understand effects of the Single Security on their constituencies	Provide input on effects to the Single Security principals; facilitate constituency readiness	At least 12-15 months prior to launch	Yes	TBD	
	Other Lender Trade Associations	Represent the interests of their members	Understand effects of the Single Security on their constituencies	Provide input on effects to the Single Security principals; facilitate constituency readiness	At least 12-15 months prior to launch	TBD -- but likely yes	TBD	
	Consumer Trade Associations	Represent the interests of their members	Understand effects of the Single Security on their constituencies	Provide input on effects to the Single Security principals; facilitate constituency readiness	At least 12-15 months prior to launch	TBD -- but likely yes	TBD	
S E C U R I T Y I Z A T I O N	Federal Reserve Bank of New York	Largest investor in GSE mortgage-backed securities. Also manages/monitors all payments and netting of securities trades for the GSEs, as well as securities lending and repo programs	Understand all aspects of the Single Security program as an investor and key counterparty	Update systems, processes and policies to reflect the Single Security. Thoroughly test with the GSEs/CSS. Ensure their vendor partners are prepared	Continuous; at least 12-15 months prior to launch	Yes	Personal communications, meetings with the Single Security principals and other regulators	
	DTCC/FICC	The Mortgage-Backed Securities Division of FICC provides trade matching, trade confirmation, risk management, netting and electronic pool notification to the mortgage-backed securities market.	Understand all aspects of the Single Security program as a key service provider to the industry	Update systems, policies, and processes to reflect the Single Security. Test changes with customers/counterparties.	Continuous; at least 12-15 months prior to launch	Yes	Personal communications, meetings with the Single Security principals and other regulators	

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Institutional Investors - US	Buy and sell GSE mortgage-backed securities to meet a variety of investment needs	Understand features and elements of the Single Security, as well as exchange and trading parameters	Review and adjust as necessary investment policies for the Single Security; review internal accounting policies and operations, such as those for dollar roll transactions, and adjust as needed. Ensure systems/services (internal or vendor-provided) are updated and ready for Single Security launch. Prepare for new trading and analysis practices. Help their regulators (as relevant) understand and prepare for the Single Security	At least 12-15 months prior to launch	We have some contacts, but will need dealers, regulators and associations to help with communications	TBD	
Institutional Investors - International	Buy and sell GSE mortgage-backed securities to meet a variety of investment needs	Understand features and elements of the Single Security, as well as exchange and trading parameters	Review and adjust as necessary investment policies for the Single Security; review internal accounting policies and operations, such as those for dollar roll transactions, and adjust as needed. Ensure systems/services (internal or vendor-provided) are updated and ready for Single Security launch. Prepare for new trading and analysis practices. Help their regulators (as relevant) understand and prepare for the Single Security	At least 12-15 months prior to launch	We have some contacts, but will need dealers and regulators to help with communications	TBD	
Dealers - traders	Approved Dealer Group members accept orders for GSE Mortgage Securities	Be aware of ticker and TBA or pool identifier changes; understand Single Security features and pooling conventions	Notify their client base of any changes; understand and be prepared to trade (clear / netting) Single Securities at launch; support the Single Securities market; facilitate legacy exchanges	At least 12-15 months prior to go live	Yes - Fannie Mae and Freddie Mac have Approved Dealer Groups	Existing channels such as individual POCs, and broadly via websites and Bloomberg messaging	

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Dealers - research	Capital Markets dealers that provide frequent research write-ups on news, trends, and forecasts for MBS/PCs (and other securities)	New data disclosures + format; PC Exchange mechanics, calculations, and process	Be ready to consume new Single Security disclosures and accurately analyze prepayments and other collateral characteristics	At least 12-15 months prior to go live	Yes - Fannie Mae and Freddie Mac have relationships with Dealer Research desks/POCs	Existing channels such as individual POCs, and broadly via websites and Bloomberg messaging	
Dealers - operations	Back office settlement and clearing for the Approved Dealer Group	Be aware of ticker and TBA or pool identifier changes, PC Exchange mechanics, calculations, and processes, along with disclosure changes - and determine how all of these items will effect their internal systems and processes	Update systems and processes; support Single Securities market; help facilitate analysis of securities; help facilitate legacy exchanges	At least 12-15 months prior to go live	Yes - Fannie Mae and Freddie Mac have back office operations contacts at most of the dealers	Existing channels	
Regional broker/dealers	Buy, sell, and analyze mortgage-backed securities	Understand Single Security program and features	Update systems and processes as needed; support the Single Security market	At least 12-15 months prior to go live	TBD - we have some contact information	Existing channels; alternatives TBD	
Index Providers	Measures performance of investment grade fixed-rate mortgage-backed securities of Fannie Mae, Freddie Mac and Ginnie Mae	Data disclosures + format; Pricing logic; PC Exchange mechanics, calculations, and process	Be ready to consume new Single Security disclosures and accurately analyze prepayments and other collateral characteristics	At least 12-15 months prior to go live	Yes - Fannie Mae and Freddie Mac have contacts at several index providers	Existing channels include meetings, emails, public website updates	
Bloomberg	Provider of real-time data, news, research, analytics on MBS/PCs, provides mechanism for communications across the capital markets, and also provides trade execution platform.	FICC TBA Identifier, Prefix Designations, Pool Numbering, Go live date	Make system changes to reflect new tickers/identifiers/descriptions. Test to be ready for launch. Inform customers; facilitate legacy exchanges	At least 12-15 months prior to go live	Yes	Existing channels include meetings, emails, public website updates	
Data Vendors (e.g., eMBS, 1010 Data, CPR CDR, Intex)	Provider of MBS/PC information and analytics to market participants	Understand new disclosure elements and disclosure file layout/schema	Edit / consume datasets to the new standards; test systems to ensure they can take in and process the new data/formats; make their customer base aware of changes	At least 12-15 months prior to go live	Varies - we have contacts for many data providers that we already have relationships with; however it may not cover the full universe of data providers	Existing channels include meetings, emails, public website updates	

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Trading Platforms (e.g., Tradeweb/Dealerweb, Espeed, Brokertech)	Provider of trade execution platforms	Changes to FICC TBA identifier, prefix values, tickers; Screen changes and layouts; Freddie Mac Legacy PC/Single Security swap screen	Make system changes to reflect new tickers/identifiers/descriptions	At least 12-15 months prior to go live	Yes	Existing channels include meetings, emails, public website updates	
Modeling Vendors (e.g., BlackKnight)	Prepayment models	Understand new disclosure elements; exchange parameters; trading and identification conventions	Update systems/software and process to reflect Single Security features and disclosures. Test results. Help customers prepare for changes	At least 12-15 months prior to launch	Yes - some	Existing channels	
Analytics Vendors (QRM, Polypaths)	Financial Risk Analytics Providers	Understand new disclosure elements; exchange parameters; trading and identification conventions	Edit / consume datasets to the new standards; ensure their customer base is aware of changes	At least 12-15 months prior to go live	Yes - some	N/A	
Collateral management vendors (e.g., SunGard, IntegriDATA, IBM ALGO, 4sight)	Vendor systems/software to help with ongoing management of investments, risk exposure. Freddie Mac uses some of these vendors.	Understand features and disclosure elements of the Single Security	Update systems/software and process to reflect Single Security features and disclosures. Test results. Help customers prepare for changes	At least 12-15 months prior to launch	Yes	TBD	
Third party vendors (AcadiaSoft/MarginSphere, TriOptima/TriResolve)	TBD. Freddie Mac uses some of these vendors.	Understand features and disclosure elements of the Single Security	Update systems/software and process to reflect Single Security features and disclosures. Test results. Help customers prepare for changes	At least 12-15 months prior to launch	Yes - some limited contacts	TBD	
Service Providers (e.g., Viteos, SEI, SS&C GlobeOp, Northern Trust, BBH, BNY Mellon)	TBD (from SIFMA list]	Understand features and disclosure elements of the Single Security	Update systems/software and process to reflect Single Security features and disclosures. Test results. Help customers prepare for changes	At least 12-15 months prior to launch	TBD	TBD	
Accounting Vendors/Systems (e.g., Summit)	Vendors that provide securities / investments accounting services.	Understand features, disclosure elements, trading conventions of the Single Security, Freddie Mac Legacy PC exchange	Update systems/software and processes. Test results; help customers prepare for changes.	At least 12-15 months prior to launch	Yes - some contacts	Existing/TBD	

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	Pooling and Allocation Vendors (e.g., Broadridge, Salient Commercial Solutions)	Broadridge: trade processing; MBS Expert: post-trade trade processing / risk management; Salient (Appix): manage / settle MBS inventory, automates TBA allocations.	Understand features, disclosure elements, trading conventions of the Single Security	Update systems/software and process to reflect Single Security features and disclosures. Test results. Help customers prepare for changes	At least 12-15 months prior to launch	No	TBD	
	Vendors that distribute and/or transform and distribute securities data	Freddie Mac uses some of these vendors.	Understand features, disclosure elements, trading conventions of the Single Security	Update systems/software and process to reflect Single Security features and disclosures. Test results. Help customers prepare for changes	At least 12-15 months prior to launch	Yes	Existing	
	SIFMA	Leading industry group that represents the securities industry and brings together shared interests of b/ds, banks, asset managers, etc. The SIFMA sets standards such as the "good delivery rules."	All details of Single Security	Update good delivery rules; keep members informed; encourage members to bring feedback to the principals	Continuous	Yes	Existing, includes meetings, conferences	
	SFIG (Structured Finance Industry Group)	Leading industry group that represents the securitization industry.	All details of Single Security	Keep members informed, and encourage members to bring feedback to the principals	Continuous	Yes	Existing, includes meetings, conferences	
	Single Security and CSP Industry Advisory Group	Group comprised of representatives from industry associations and trade groups that may be effected by CSP/SS	All details of Single Security	Keep members informed, and encourage members to bring feedback to the principals. Help their constituencies prepare for the Single Security	Continuous	Yes	Existing, includes meetings, conferences, emails	
LEGAL	Securities Lawyers	Securities Regulation, Securitization Law, Capital Markets Law, Investment Practices/Policies	All details of Single Security, also need to be aware of changes to governing and legal documents	Help their clients prepare for the Single Security by updating relevant documents (e.g., investment guidelines, offering documents, etc.)	At least 12-15 months prior to launch	TBD. Investors need to work with their own legal teams. Is there an association or group that can help us (e.g., SIFMA)?	Existing	
	Securities document vendors (?)	Work with investors and issuers to support their securities document and legal filing needs	All details of Single Security, also need to be aware of changes to governing and legal documents	Help their clients prepare for the Single Security by updating relevant documents (e.g., investment guidelines, offering documents, etc.)	At least 12-15 months prior to launch	TBD. Investors need to work with their own legal teams. Is there an association or group that can help us (e.g., SIFMA)?	Existing	

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REGULATORS	Regulators (SEC, CFPB, HUD, CFTC, FRB, OCC, FDIC, FINRA)	Various regulatory capacities and regulated institutions	All details of Single Security, also need to be aware of changes to governing and legal documents	Varies - examples include SEC + accounting issues; CFPB + any consumer effect; HUD; FRB, OCC and FDIC - overseers of bank compliance; FINRA - overseer of B/D compliance	Ongoing briefings with some; at least 12-15 months prior to launch for the rest	Varies	Existing	
	Treasury Department	Provider of funds to GSEs per the PSPA; recipient of GSE annual risk management plans	All details of Single Security	Work with FHFA and GSEs	Ongoing briefings	Yes	Existing	
	International Regulators	Supervisory institutions for foreign banks and sovereign institutions	All details of Single Security	Work with their constituents to ensure they are ready for the Single Security with appropriate process/policy updates and risk and operational controls. Consult with US regulators as needed	Ongoing briefings	TBD - FHFA and GSEs have some contacts	Meetings	