

## Introduction

Under the direction of the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac (the Enterprises) are jointly working on developing a new Common Securitization Platform (CSP) that will support the Enterprises' single-family mortgage securitization activities, including the issuance by both Enterprises of a common single mortgage-backed security. To support the Single Security Initiative, the Enterprises worked together to develop an aligned set of enhanced disclosures that incorporate market standards and promote liquidity in the "to be announced" (TBA) market. On July 11, 2016, the Enterprises jointly released the [Single Security Disclosures Specifications](#) for single-class pass-through securities – that is, the Uniformed Mortgage-Backed Security (UMBS) and single-class resecuritization of UMBS (Supers). This announcement provides the following additional information:

- Disclosures and corresponding specifications related to multiclass securities,
- Updates to the previously-released disclosure specifications for single-class pass-through securities,
- Sample disclosure files for both single-class and multiclass securities, and
- The timeframe for market participant testing and implementation of the new disclosure files.

## Disclosure Files for Multiclass Securities Backed by UMBS Securities

With the implementation of the Single Security Initiative, issuances of UMBS and Supers from either Enterprise may be commingled and securitized into a Real Estate Mortgage Investment Conduit (REMIC) or a Stripped MBS structure issued by either Enterprise. To support this new resecuritization functionality, the Enterprises developed several newly aligned disclosures, which include:

- At-Issuance Final Data Statement file
- Monthly Factor file
- Monthly Component Factor file
- Reset Indices (Delay and No Delay) file
- Reset Rates (Delay and No Delay) file

## REMICs

Upon issuance of a new REMIC, the Enterprises will provide a Final Data Statement file that details the collateral underlying the structure. This file will be published with the existing Relay and FAST files that are currently disclosed by Fannie Mae and Freddie Mac respectively for newly-issued REMICs.

On a monthly basis, the Enterprises will provide a Factor file and, as applicable, a Component Factor file for all outstanding REMICs. Also, for certain REMICs issued by Fannie Mae, a REMIC Shortfall file will be released. These files will be published at 4:30 p.m. on the 4<sup>th</sup> Business Day (BD) of each month for the majority of outstanding REMIC securities. However, there is a small subset of REMICs for which these files will be provided at 4:30 p.m. on subsequent business days, as stated in the corresponding offering documents.

In addition, to support certain REMIC classes as well as other structured transaction classes with indexed floating rate characteristics, the Enterprises will provide monthly a Reset Indices file and a Reset Rates file. For both Rate Delay and No Delay securities, the former file will contain the index name and index value and the latter file will contain the accrual rate applicable to each class. These files will be available at various times during the month based upon the criteria set forth in the offering documents.



### Stripped MBS

Issuances of UMBS or Supers by either Enterprise can also be used as collateral for a Stripped MBS to create separate Interest-Only and Principal-Only (IO/PO) classes. For these Stripped MBS, the Enterprises will provide a Final Data Statement file at the time of issuance, along with the existing Relay and FAST file, as applicable. On a monthly basis, to support outstanding securities, the Enterprises will publish a Factor file, which will be available at 4:30 p.m. on the 4<sup>th</sup> BD. In the Freddie Mac file, Supers/Giants that directly back the Stripped PC will also be included in the file.

### **Disclosure Files for Multiclass Securities Backed by non-UMBS Securities**

Both Enterprises currently issue and administer multiclass securities that are not included in the Single Security Initiative, as they do not participate in the TBA Market and/or they are solely backed by non-UMBS eligible collateral. As such, newly-issued or outstanding issuances of these security structures will not be fungible between the Enterprises, nor will the commingling of securities of both Enterprises be eligible for collateral for these security types. These securities include transactions backed by Ginnie Mae collateral or stripped securities backed by excess servicing fee or excess interest-only (IO) cashflows. The Enterprises attempted to align the corresponding disclosures for these security structures to the extent possible, however, some disclosure files as well as publication times may differ between the Enterprises. Disclosure files supporting multiclass securities not backed by UMBS are listed below.

Ginnie Mae MBS Backed REMICs/Megas/Giants/Strips – For outstanding structured transactions backed by Ginnie Mae collateral, the Enterprises will publish a Factor file and a Component file, which will be available at 4:30 p.m. on the 8<sup>th</sup> BD.

Stripped MBS Backed by Excess Servicing Fee or Excess Interest-Only (IO) Cashflows – For stripped securities that are backed by excess servicing fee or excess IO cashflows, the Enterprises will publish at-issuance and monthly disclosure files similar to the security-level disclosures for the UMBS. The Enterprises will provide two files, one to include weighted averages and deciles/quartiles (for Fannie Mae and Freddie Mac, respectively) and the second to include various stratifications. The at-issuance files will be available at the time the security is issued, while the monthly files will be available at 4:30 p.m. on the 4<sup>th</sup> BD. These securities will also be included in the Factor file for Stripped MBS backed by MBS/PCs, which will be published at 4:30 p.m. on the 4<sup>th</sup> BD.

The Enterprises may continue to provide their existing multiclass disclosure files, or a modified version of a file, to complement the new disclosures described above. At a later date, the Enterprises will provide additional information on their existing disclosures detailing the continuation, modification, or retirement of these files.

### **File Formats**

The new disclosure files referenced in this announcement will be generated in a flat delimited file. The data attributes for these files, which include definitions, enumerations, data types, formats, maximum lengths and implementation notes, are contained in the attached [technical specifications](#). Also included in the technical specifications are tables detailing the disclosure files and the corresponding publication times for each multiclass security described above.

### **Updates to Single-Class Pass-Through Single Security Disclosure Specifications**

On July 11, 2016, the Enterprises jointly released the [Single Security Disclosures Specifications](#) for single-class pass-through securities. More recently, the Enterprises have made minor adjustments to these disclosure specifications. These changes include clarifying format precisions and re-ordering of certain

data attributes; no data attributes have been removed or added. The [updated disclosure specification](#) for UMBS and Supers is located on each respective Enterprise's [Single Security website](#). In order to better understand the modifications made to the specifications since the last publication, the Enterprises have included a detailed change log with the specifications that describe each change.

### **Sample Files**

As part of this announcement, the Enterprises also made available [sample disclosure files](#) for both single-class and multiclass securities. These sample files are provided to assist market participants to prepare for consuming the new files. For illustrative purposes, the single-class sample files have security data of both Enterprises represented, even though once implemented, separate files will be published for each Enterprise, inclusive of only their respective issued securities. In addition, only one Reset Indices file and one Reset Rates file are included since the format is the same for Delay or No Delay securities.

### **Common Securitization Platform and the Disclosure Files: Implementation and Testing Timeframe**

Common Securitization Solutions, LLC (CSS) is an independent business entity, jointly-owned by the Enterprises that will operate the CSP. The CSP is a new securitization technology and operational platform to facilitate operations relating to the issuance, administration, and disclosures for single-family mortgage securities on behalf of the Enterprises.

Starting in 2018, the CSP will begin generating the disclosures for both Enterprises for UMBS, Supers, and many of the multiclass securities. Each Enterprise will make its disclosure files available on its respective website. Prior to implementation, the Enterprises will allow market participants to test their ability to access and consume these new disclosures from the Enterprises' websites. At this time, the current timeframe for testing is currently scheduled for fourth quarter 2017.