



Servicing Notice

Oct. 21, 2020

Extension of Cost of Funds Index

In Feb. 2019, we announced the retirement of ARM plans that use the 11th District monthly weighted-average cost of funds index (COFI) as computed each month by the Federal Home Loan Bank of San Francisco (FHLBank). The FHLBank previously announced their intention to cease publishing this index in Jan. 2020, with the Dec. 2019 COFI being the last published rate. They later announced an extension of the index through 2020.

Earlier this year, the FHLBank announced that it will again extend its deadline for discontinuing its monthly cost of funds index from early 2021 to early 2022. The Bank will no longer calculate the index after the publication of the Dec. 2021 COFI in Jan. 2022.

Impact on Loan Servicing

As a courtesy to our customers, we are issuing this Notice to alert servicers of the extension of this index. While we have not determined the substitute index for COFI loans that are being serviced on Fannie Mae's behalf, we are diligently working with the industry and FHFA on this matter. As soon as the substitute index is determined, we will communicate to servicers accordingly.