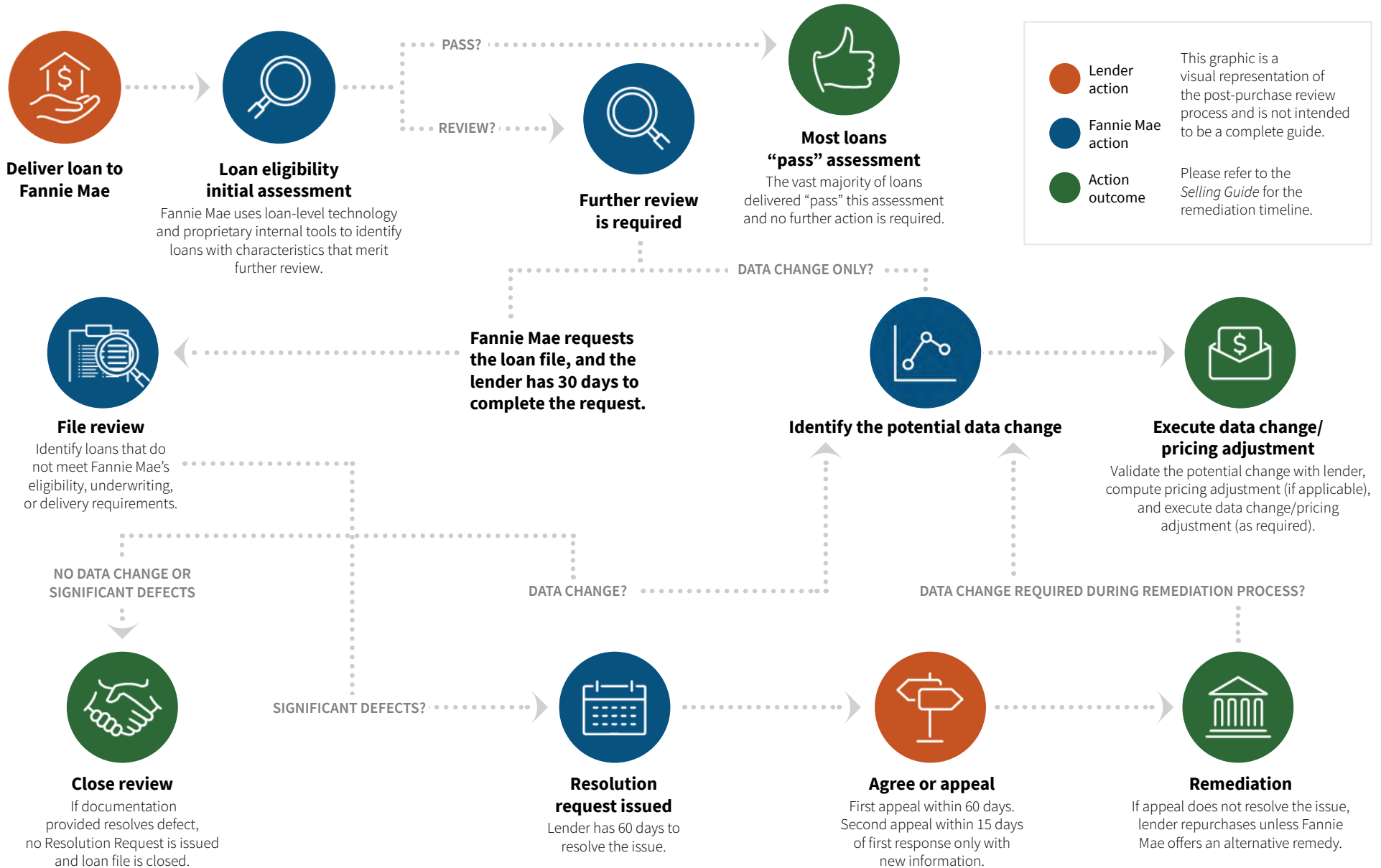


Post-purchase review process overview

Partnering with lenders to drive loan quality with seamless collaboration in Loan Quality Connect™



Detailed post-purchase review process with Loan Quality Connect

Partner with Fannie Mae to drive loan quality

This document describes the steps in Fannie Mae's post-purchase review process.¹ The steps in Part 2 take place in Loan Quality Connect, the hub where Fannie Mae and our lenders collaborate. Loan Quality Connect supports seamless collaboration and drives increased certainty. It enables real-time loan quality feedback, loan file submissions, instant status updates, and communication tools for process efficiencies, self-serve reporting and data visualization, and more.

Part 1: Fannie Mae acquires and assesses loans



Step 1: Loan delivery

Lender delivers loan to Fannie Mae.



Step 2: Loan eligibility initial assessment

Fannie Mae assesses loans, using loan-level technology and proprietary internal tools to identify loans with characteristics that merit further assessment through the discretionary review process.



Step 3a: No action — Most loans “pass” assessment

The vast majority of loans “pass” the initial assessment and no further action is required. No further steps needed.

OR



Step 3b: Action

If the loan appears eligible but a potential data change is discovered, move to Step 4. If further review is required, or if one or more defects² are identified, move to Step 6 to request and review files.

Part 2: Fannie Mae and lenders partner to drive loan quality in Loan Quality Connect



Step 4: Identify potential data change/price adjustment

Fannie Mae requests a data change.



Step 5: Execute data change/pricing adjustment

Lender and/or Fannie Mae identify a data discrepancy, collaborate on potential data change(s), compute pricing adjustment (if applicable), and execute data change/pricing adjustment (as required). No further steps needed.



Step 6: File review

Fannie Mae requests and reviews loan file to confirm whether it meets Fannie Mae's eligibility, underwriting, and delivery requirements. If yes, close review. If potential data change is identified, move back to Step 4. If one or more significant defects are discovered, move to Step 7.



Step 7: Resolution request issued

Lender has 60 days to resolve the issue.



Step 8a: Agree

If lender agrees, repurchase or other remedy actions are taken. If remedied, no further steps required.

OR

Step 8b: Appeal

Lender must submit additional documentation to resolve issues. If documentation does not resolve issues after first 60 days, lender has 15 days for a second appeal (with new information only).



Step 9: Remediation process, appeal and rescission, appeal and reaffirmation, impasse, management escalation, independent dispute resolution

If appeal does not resolve the issue, lender concurs to repurchase or is offered an alternative remedy. (If data change is required during remediation process, move back to Step 4.)

For more information, refer to the *Selling Guide* [D2-1-03](#), Outcomes of Fannie Mae QC Reviews and [D2-1-04](#), Identifying and Remediating Origination Defects Under the Remedies Framework.

¹ The description in this document of Fannie Mae's post-purchase discretionary review process is subject to change at any time, including random reviews. This document is not intended to cover all scenarios (self reports, MI cancellation, servicing process defects, etc.) and delivered loans may be subject to other reviews and actions outside of the discretionary review process. In the event of any conflict between this document and Fannie Mae's *Selling Guide*, *Servicing Guide*, the Mortgage Selling and Servicing Contract, and/or an individual's negotiated contract terms, the provisions of the *Guides* and contracts take precedence. Valid for loans acquired Jan. 1, 2013 or later.

² A “defect” is defined as an area of non-compliance with eligibility, underwriting, or delivery requirements outlined in the Fannie Mae *Selling Guide* or an individual lender's negotiated contract terms.