

***Servicing Guide* Announcement SVC-2012-13**

August 8, 2012

Housing and Economic Recovery Act (HERA) Reporting Requirements

***Servicing Guide*, Part I, Section 307: Compliance with Applicable Laws**

Fannie Mae requires all servicers (and any subservicer or third-party originator the servicer uses) to be aware of, and in full compliance with, all federal, state, and local laws that apply to any of its business practices that may have a material effect on Fannie Mae. With this Announcement, Fannie Mae is clarifying that these requirements also include the Housing and Economic Recovery Act of 2008 (HERA), which requires Fannie Mae to promote diversity to the maximum extent possible in balance with financially safe and sound business practices through:

- the inclusion and utilization of minorities, women, and individuals with disabilities, and
- the use of minority-, women-, and disabled-owned businesses at all levels, in management and employment, in all business and activities, and in all contracts for services of any kind.

Pursuant to HERA and the final rule implementing HERA Section 1116, the servicer must provide Fannie Mae with data regarding the diversity status of the servicer, its agents, subcontractors, and vendors, including:


- appropriate certifications of minority-, women-, and disabled-owned status;
- reports, as requested, on the number of minorities, women, and individuals with disabilities utilized; and
- any other information Fannie Mae requests for purposes of complying with HERA or any other diversity and inclusion requirements.

On or before November 1, 2012, the servicer is required to complete a Fannie Mae supplier registration profile that accurately reflects its ownership status, regardless of whether it is “HERA-Inclusive,” and its team composition report. Servicers may access the registration profile on the [Existing Suppliers](#) page on fanniemae.com.

NOTE: “HERA-Inclusive” is a business that is certified as either a minority-owned, woman-owned, or disabled-owned business. Servicers can find more information on ownership categories on the [Diverse Suppliers](#) page on fanniemae.com which contains links to the currently applicable definitions.

The servicer must:

- commit to practice the principles of equal employment opportunity and non-discrimination in all its business activities;
- agree to require each of its agents, subcontractors, and vendors that provide services or goods to Fannie Mae to similarly commit to practice the principles of equal employment opportunity and non-discrimination in all their business activities;
- within 30 days of any change of ownership, update its profile to reflect such ownership changes; and
- annually by November 1, or as determined by Fannie Mae, provide ownership and team composition information in accordance with the Existing Suppliers guidance on fanniemae.com.



In addition to the reporting requirements described above, Fannie Mae encourages servicers to develop a process to collect the ownership status of the agents, subcontractors, and vendors utilized by the servicer in servicing mortgage loans for Fannie Mae.

Servicers should contact their Servicing Consultant, Portfolio Manager, or Fannie Mae's National Servicing Organization's Servicing Solutions Center at 1-888-FANNIE5 (1-888-326-6435) with any questions regarding this Announcement.

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