



Providing Transparency to the Market – SEC Rule 15Ga-1 Reporting

Fannie Mae began filing quarterly reports with the Securities and Exchange Commission (SEC) in February 2012 to comply with Rule 15Ga-1. Rule 15Ga-1 was issued by the SEC pursuant to Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The rule requires all entities that securitize asset-backed securities to disclose fulfilled and unfulfilled repurchase demands for breaches of representations and warranties. These demands are to be listed by each security’s CUSIP and by each originator contributing assets to the security. The SEC indicated in its adoptive release that one of the purposes of the rule was to allow investors to “identify asset originators with clear underwriting deficiencies” 76 Fed. Reg. 4490 (January 26, 2011).

Government-sponsored enterprises, such as Fannie Mae, are required to file timely reports pursuant to Rule 15Ga-1. Fannie Mae intends to continue to provide these filings to support efforts to improve transparency in the mortgage-backed security (MBS) market.

Here, we provide additional information to assist market participants in the use of the report, including:



The frequency of, periods covered by, and securities included under the filings



Additional information regarding how warranty breaches and originators are disclosed in the filing



The file layout



Information regarding how to access the report

Frequency of Rule 15Ga-1 filings

In compliance with Rule 15Ga-1, Fannie Mae filed the initial report due on February 14, 2012. Pursuant to the rule, this initial filing included repurchase activities that occurred during a three-year period between and including January 1, 2009, and December 31, 2011. Ongoing filings are due on a quarterly basis approximately 45 days after the end of each calendar quarter and include repurchase demand activities that occurred only during the prior quarter.

Periods covered by Rule 15Ga-1 filings

Each quarterly filing (after the February 2012 filing) provides information related only to repurchase demand activities that occurred during the prior quarter. The timing of each related filing does not indicate the origination years of the mortgage loans or the issuance year of the securities. The 15Ga-1 file does not include information related to when a loan was originated, and, therefore, market participants should not draw conclusions about the age of the mortgage loans or securities based on when the report was filed. For example:

- The filing due February 14, 2013, covers repurchase demand activities during the last quarter of 2012.
- The initial filing, due February 14, 2012, covered a longer time period and included repurchase demand activities between January 1, 2009, and December 31, 2011. However, as noted above, these dates represent neither the origination years of the mortgage loans nor the issuance dates of the securities.

In order to determine the issuance date (vintage) of an MBS, one can look up the CUSIP, Trust, or pool number on [Fannie Mae's PoolTalk®](#) website or utilize another third-party data source. Fannie Mae also provides the origination year of the loans in a particular pool on PoolTalk and in the Prospectus Supplement for each issuance of MBS Securities. Securities issued prior to May 1996 are not available on PoolTalk. An example is provided below.

Origination year distribution

Year	Loan count	% of UPB	Aggregate UPB
2010	1,391	100%	\$363,215,156.08

Securities included under Rule 15Ga-1

The report includes only those Fannie Mae mortgage securities where Fannie Mae has the right in the related transactional documents to demand a repurchase for a breach of representation and warranty. These securities typically include Fannie Mae Single-Family MBS, Fannie Mae Whole-Loan REMICs, and Multifamily securities. Certain Fannie Mae mortgage securities, including Megas, Stripped Mortgage-Backed Securities, MBS-backed REMICs, and other securities backed by securities are not included in the filing.

Warranty breaches covered under Rule 15Ga-1

Demands for repurchase due to breaches of representation and warranty generally relate to the underwriting of a mortgage loan but may sometimes relate to misdeliveries unrelated to underwriting of a mortgage loan or servicing violations. The report includes all breaches of representation and warranty where Fannie Mae is seeking a remedy and does not distinguish between those related to underwriting deficiencies and those unrelated to such deficiencies. For example, a mortgage loan seller may inadvertently include a fixed-rate mortgage loan as part of an adjustable-rate pool. Such a fixed-rate mortgage loan may meet Fannie Mae underwriting requirements, but Fannie Mae nevertheless has the right to demand repurchase of the mortgage loan, because it violates the mortgage loan seller's representation and warranty that the mortgage loan bears an adjustable rate.

Repurchase demands may occur during the time in which the mortgage loan is in an MBS pool or after Fannie Mae has removed a mortgage loan from a pool due to default by the borrower. If Fannie Mae determines that the defaulted mortgage loan is in breach of a lender representation and warranty after it has been removed from a pool, Fannie Mae may demand repurchase at that time by the mortgage loan seller. The Rule 15Ga-1 report generally includes such a demand even if the mortgage loan has already been removed from the security as of the date of the repurchase demand. Therefore, although the loan has already been removed from the security, such loan will be included under the original corresponding CUSIP.

Instead of demanding a repurchase, Fannie Mae frequently requests that the mortgage loan seller makes Fannie Mae whole for losses that Fannie Mae may have suffered on mortgage loans where there has been a breach of representation and warranty. The report includes such "make-whole" requests as repurchase demands and does not distinguish between actual repurchases and "make-whole" requests.

Originators under Rule 15Ga-1

For the purpose of this report, the "originator" is the party identified as the payee on the mortgage note. It is common practice in the residential mortgage lending industry for some originators to sell mortgage loans that they originate to third parties who aggregate such mortgage loans from multiple originators and sell them to Fannie Mae.

Because Fannie Mae's contractual relationship is with the seller of the mortgage loans (rather than with the originators), Fannie Mae had not, prior to November 2012, obtained the names of such originators. As a result, in many cases, we have listed those originators as "unavailable" in Fannie Mae's reports filed under Rule 15Ga-1. Fannie Mae is nevertheless able to make repurchase demands in such cases because it is generally the seller who has made the representations and warranties to Fannie Mae and who has the obligation to repurchase in the case of breach of representations and warranties.

Beginning with securities issued in December 2012, Fannie Mae began collecting originator data for most mortgage loans. This data is included for securities with issue dates of December 1, 2012, or later in Fannie Mae's reports filed under Rule 15Ga-1, beginning with the report filed in the first quarter of 2013. The listing that we have provided in most cases for "originator" in each 15Ga-1 report beginning in 2013 is in the form provided to us by the mortgage loan seller.

File layout

On the SEC's website, the files appear in the format below:

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Name of Issuing Entity	Check if Registered	Name of Originator	Total Assets by Originator			Assets that Were Subject of Demand			Assets that Were Repurchased or Replaced			Assets Pending Repurchase or Replacement			Demand in Dispute		Demand Withdrawn		Demand Rejected				
			#	\$	(% of principal balance)	#	\$	(% of principal balance)	#	\$	(% of principal balance)	#	\$	(% of principal balance)	#	\$	(% of principal balance)	#	\$	(% of principal balance)	#	\$	(% of principal balance)
31376SBS7		Unavailable	23	\$3,053,187.49	100%	0	\$0.00	NA	0	\$0.00	NA	0	\$0.00	NA	0	\$0.00	NA	0	\$0.00	NA	0	\$0.00	NA
Total			23	\$3,053,187.49	100%	0	\$0.00		0	\$0.00		0	\$0.00		0	\$0.00		0	\$0.00		0	\$0.00	

Glossary

The glossary below provides the basic definitions of key terms used in the Rule 15Ga-1 report. Market participants should refer to the Methodology Statement provided in the quarterly filing for a more detailed description.

Name of issuing entity	Indicates the CUSIP, Trust, or pool number.
Check if registered	Indicates if the entity is registered with the SEC.
Name of originator	Indicates the party identified as the payee on the mortgage note.
Total assets by originator	The number and issue date principal balance, by originator, of the mortgage loans in each Fannie Mae Trust.
Assets that were subject of demand	The number and outstanding principal balance of those mortgage loans that were the subject of a repurchase demand during the reporting period. They include assets that were repurchased, are pending repurchase, or had the demand withdrawn or rejected.
Assets that were repurchased or replaced	The number and outstanding principal balance of mortgage loans where (i) such mortgage loans were the subject of repurchase demand, either during the reporting period or prior thereto, and (ii) one of the following events occurred: <ul style="list-style-type: none"> a. The seller of the mortgage loan repurchased or replaced such mortgage loan from Fannie Mae; b. The seller has agreed to indemnify Fannie Mae for any loss suffered; or c. A settlement was reached between Fannie Mae and the seller.
Assets pending repurchase or replacement	The number and outstanding principal balance of mortgage loans where (i) such mortgage loans were the subject of a repurchase demand, either during the reporting period or prior thereto, and (ii) such repurchase (or other resolution of such claims) remains pending. This term will include both situations where the seller has not yet responded to Fannie Mae's repurchase demand as well as those situations where the loan seller has agreed to but not yet completed such repurchase.
Demand in dispute	The number and outstanding principal balance of mortgage loans where (i) such mortgage loans were the subject of a repurchase demand, either during the reporting period or prior thereto, and (ii) the loan seller has disputed such demand, and such dispute remains outstanding as of the end of the reporting period.
Demand withdrawn	The number and outstanding principal balance of mortgage loans where (i) such mortgage loans were the subject of repurchase demand, either during the reporting period or prior thereto, and (ii) Fannie Mae has withdrawn such demand due to an error by Fannie Mae, a cure of the warranty breach, or otherwise.
Demand rejected	The number and outstanding principal balance of mortgage loans where (i) such mortgage loans were the subject of a repurchase demand, either during the reporting period or prior thereto, and (ii) such repurchase demand was determined by a court of competent jurisdiction or other similar tribunal to be unlawful or unenforceable.

Accessing the filing

The file discussed in this article can be found by searching the SEC’s website and using the EDGAR database. On EDGAR, users should search under “Federal National Mortgage Association.” Due to the size of the files, downloading them may cause technical issues. Please contact the SEC website’s technical support services for technical support.

Conclusion

In compliance with Rule 15Ga-1 and to increase market transparency, Fannie Mae files a quarterly report to provide market participants insight into repurchase demands from MBS pools for breaches of representations and warranties. In this document, we have reviewed key points to assist users in the analysis of this report. Users should understand how often the report is filed, the population of securities covered in the filing, what the term “originator” means, and the constraints around the size of the file. Should you have any questions regarding the use of the data, please [contact us](#).