

LQI Matrix

| CHANGE OR REQUIREMENT | COMMUNICATIONS | KEY DATES | TOOLS AND RESOURCES |
|---|---|--|--|
| Confirmation of Borrower Identity | SEL-2010-01 | Applications on or after June 1, 2010 | N/A |
| Lenders must confirm valid SSN or ITIN for borrower(s) | SEL-2010-01 DU 8.0 Release Notes Loan Delivery Release Notes March and May 2010 | <ul style="list-style-type: none"> • April 17, 2010 – verification message • Applications on or after June 1, 2010 • July 26, 2010 <ul style="list-style-type: none"> ○ Loan rejected if integrity checks fail for SSN ○ Warnings for validation • January 3, 2011 – Loan rejected if doesn't pass SSN validation | <ul style="list-style-type: none"> • LQI FAQs • Loan Delivery Reports • Third-party vendor for SSN verification • Social Security Administration's Consent Based Verification Service (CBVS) • EarlyCheck™ (pre-delivery validation capability) |
| Borrower Occupancy – DU may require confirmation of borrower intent for certain casefiles | DU 8.0 Release Notes | April 17, 2010 – verification message | LQI FAQs |
| Excluded Party Lists | SEL-2010-01 | Applications on or after June 1, 2010 | <ul style="list-style-type: none"> • GSA Excluded Parties List System • HUD Limited Denial of Participation List • FHA Connection – FHA approved Lenders |

| | | | |
|---|--|--|---|
| Undisclosed Liabilities | SEL-2010-01 | Applications on or after June 1, 2010 | <ul style="list-style-type: none"> • LQI FAQs • Lender Tips |
| Quality Control – Pre-funding Audits and Post-closing requirements | SEL-2010-03 | July 1, 2010 | OCS Webinars – Lender Training |
| Identification and delivery of property unit number | SEL-2010-01 | <ul style="list-style-type: none"> • June 1, 2010 – required on Note • January 3, 2011 – loan rejected if unit number not provided at delivery | <ul style="list-style-type: none"> • Loan Delivery Reports • EarlyCheck™ (pre-delivery validation capability) |
| Appraisal data delivery | TBD | TBD | <ul style="list-style-type: none"> • CDD eFannieMae.com – includes FAQs • Training |
| <u>Required delivery data and validations</u> <ul style="list-style-type: none"> • Monthly income • Monthly debt • Note date • Appraisal amount • Purchase price <hr/> <ul style="list-style-type: none"> • Date of Birth <hr/> Loan Delivery to validate DTI | Loan Delivery Release Notes March and May 2010 | <hr/> May 17, 2010 – Warnings July 26, 2010 – Loan rejected if data not delivered <hr/> January 3, 2011 – Loan rejected if data not delivered <hr/> July 26, 2010 – Loan rejected if data not delivered <hr/> | <ul style="list-style-type: none"> • Loan Delivery Reports • EarlyCheck™ (pre-delivery validation capability) |

| | | | |
|--|--|--|--|
| Credit Score 620 with some exceptions | | July 26, 2010 – Loan rejected for credit score less than 620 | |
| <p>LTV Ratio rules</p> <ul style="list-style-type: none"> • Calculation methodology • Loan Delivery comparison | <ul style="list-style-type: none"> • SEL-2010-01 • Loan Delivery Release Notes May and June 2010 • DU Release Notes TBD | <ul style="list-style-type: none"> • July 26, 2010 – Warning if LTVs don't match • Q3-Q4 2010 – DU updated for LTV rounding rules • January 3, 2011 <ul style="list-style-type: none"> ○ Ratio Calculation methodology must comply ○ Loan rejected if LTVs don't match | <ul style="list-style-type: none"> • LQI FAQs • Loan Delivery Reports • EarlyCheck™ (pre-delivery validation capability) |
| <p>DU Refer with Caution/IV – Manually Underwritten and must be delivered as Non-DU loan</p> | <p>SEL-2010-01 DU 8.0 Release Notes Loan Delivery Release Notes May 2010</p> | <ul style="list-style-type: none"> • March 2, 2010 – Policy effective • March 15, 2010 – Warning if RWC/IV delivered as DU loan • April 17, 2010 – Updated DU message • July 26, 2010 – Loan rejected if delivered as DU loan | <ul style="list-style-type: none"> • Loan Delivery Reports • EarlyCheck™ (pre-delivery validation capability) |
| <p>DU--Acquisition compare – Data elements must match</p> <p>Comparison fields</p> <ul style="list-style-type: none"> • LTV • CLTV • Loan Purpose | <ul style="list-style-type: none"> • Loan Delivery Release Notes May and June 2010 | <ul style="list-style-type: none"> • July 26, 2010 <ul style="list-style-type: none"> ○ Warnings ○ DU Compare-Only function in LD • January 3, 2011 <ul style="list-style-type: none"> ○ Loan rejected if valid DU casefile | <ul style="list-style-type: none"> • Expanded DU Compare-Only function in LD • Loan Delivery Reports • EarlyCheck™ (pre-delivery validation capability) |

| | | | |
|---|---|---|--|
| <ul style="list-style-type: none"> • Credit Score • Occupancy • Amortization Type • Interest-Only • DTI Ratio • SSN • Number of units • Property Inspection Waiver • Final DU • Property Type | | <p>ID not delivered</p> <ul style="list-style-type: none"> ○ Loan rejected if fails comparison data field checks | |
| Loan Delivery Edit Reports | Loan Delivery Release Notes March 2010 | March 29, 2010 – Reports available via Messenger Manager | <ul style="list-style-type: none"> • LQI FAQs • Loan Delivery Job Aids (see “Using Messenger Manager”) • Recorded Tutorial • Lender’s Fannie Mae customer account team |
| EarlyCheck – New pre-delivery validation capability | Loan Delivery Release Notes May 2010 | <ul style="list-style-type: none"> • July 26, 2010 – DU Compare-Only function expanded to pre-delivery checks • September 2010 – Anticipated availability of EarlyCheck | Training and job aids |
| Additional loan data elements and MISMO Version 3.0 XML format – TBD | TBD | TBD | TBD |

| | | | |
|--|-----|-----|---|
| <p>Reporting and validation of mortgage insurance coverage</p> <ul style="list-style-type: none"> • Reminder that lenders are required to provide specific information about loans • Fannie Mae will validate information directly from mortgage insurers on regular basis • New policy requiring servicers to direct MI companies, in writing, to provide information to Fannie Mae • New policy requiring servicers to notify Fannie Mae when MI coverage has been rescinded | TBD | TBD | Fannie Mae expects to provide a service to assist lenders with validation prior to delivery |
|--|-----|-----|---|

Direct loan production issues are highlighted in yellow. As this matrix shows, LQI has much more to do with loan delivery than with loan production, which makes sense – much more happens after closing than before closing. However, the push from Loan Delivery to comply with LQI will force production to be much cleaner – so really, everything here will affect you in multiple ways.