

## Conservatorship Strategic Plan: Performance Goals for 2013

---

For all Scorecard items, the Enterprises will be assessed based on the following criteria:

- The quality, thoroughness, creativity, effectiveness, and timeliness of their work products.
- Cooperation and collaboration with FHFA, each other, and the industry.
- The extent to which the outcomes of their activities support a competitive secondary mortgage market with lower barriers to entry and exit of participants.

### **1. Build a new infrastructure for the secondary mortgage market – 30 percent weight**

#### **Common Securitization Platform (CSP)**

In conjunction with FHFA, continue the foundational development of the CSP:

- Establish initial ownership and governance structure for the CSP. Assign dedicated resources and establish independent location site for the CSP Team.
- Develop the design, scope and functional requirements for the CSP's modules and develop the initial business operational process model.
- Develop multi-year plans, inclusive of CSP build, test and deployment phases, and the Enterprises' related system and operational changes.
- Develop and begin testing the CSP.
- Support FHFA progress reports to the public on the design, scope and functional requirements. Update documents based on feedback received.

#### **Contractual and Disclosure Framework (CDF)**

Continue the development of the CDF to meet the requirements for investors in mortgage securities and credit risk:

- Identify and develop standards in data (i.e., leveraging the work underway in the Uniform Mortgage Data Program), disclosure and Seller / Servicer contracts.
- Develop and execute work plans for alignment activities between the Enterprises with regard to the common standards and creation of legal/contractual documents to facilitate varied credit risk transfer transactions.
- Engage with the public in a variety of forums to seek feedback and incorporate revisions
- Support FHFA progress reports to the public.

## Conservatorship Strategic Plan: Performance Goals for 2013

---

### **Uniform Mortgage Data Program (UMDP)**

- Complete identification and development of data standards for Uniform Mortgage Servicing Data (UMSD), leveraging the MISMO process. Establish timeline to implement data collection and use of UMSD data in enhanced disclosures and risk management strategy.
- Develop plan to standardize origination data (e.g., HUD-1 and Uniform Residential Loan Application) as well as timeline for implementation.

### **2. Contract the Enterprises dominant presence in the marketplace while simplifying and shrinking certain operations (by lines of business) – 50 percent weight**

**Single Family** - Each Enterprise will demonstrate the viability of multiple types of risk transfer transactions involving single family mortgages with at least \$30 billion of unpaid principal balances in 2013. (Risk transfer transactions of less than \$10 billion receive no credit toward this goal, while results between \$10 billion and \$30 billion will receive partial credit.)

**Multi-Family** - Reduce the UPB amount of new multifamily business relative to 2012 by at least 10 percent by tightening underwriting, adjusting pricing and limiting product offerings, while not increasing the proportion of the Enterprises' retained risk. (Reductions between 0 and 10 percent will receive partial credit.)

**Retained Portfolio** - Reduce the December 31, 2012 retained portfolio balance (exclusive of agency securities) by selling 5 percent of assets. (Sales between 0 and 5 percent will receive partial credit.)

**Scoring Note:** In assessing results for these performance measures under Strategic Goal 2, the FHFA will consider changes in market and regulatory conditions, and the transactions should be:

- Economically sensible;
- Operationally well-controlled;
- Involve a meaningful transference of credit risk; and
- Be transparent to the marketplace

FHFA will assess the results against the above requirements, along with the utility of the transaction to furthering the long-term strategic goal of risk transfer, in judging whether to award credit for individual transactions in meeting the totals set forth for each measure.

Conservatorship Strategic Plan:  
Performance Goals for 2013

---

**3. Maintain foreclosure prevention activities and credit availability for new and refinanced mortgages. – 20 percent weight**

Adapt quickly to statutory, regulatory, and market changes through appropriate modifications and/or enhancements to loss mitigation and refinance options.

Enhance post-delivery quality control practices and transparency associated with new representation and warranty framework.

Complete representation and warranty demands for pre-conservatorship loan activity.

Develop counterparty risk management standards for mortgage insurers that include uniform master policies and eligibility requirements.

Incorporate policies related to lender placed insurance within the Servicing Alignment Initiative.