



FREQUENTLY ASKED QUESTIONS: ENTERPRISE SELLER/SERVICER MINIMUM FINANCIAL ELIGIBILITY REQUIREMENTS

1. Why do the 2.0 Servicer Eligibility requirements include additional standards for large non-depositories?

The requirements include additional standards for large non-depositories to account for the Enterprises' higher risk exposure to such seller/servicers. While seller/servicers that are depository institutions are subject to prudential regulation, including capital and liquidity requirements imposed by their primary federal or state regulators that could mitigate risk exposure to the Enterprises, non-depository seller/servicers are subject to state licensing requirements that may vary state-by-state and may not include capital and liquidity standards.

2. How do the requirements define a large non-depository seller/servicer?

A large non-depository seller/servicer is defined as a seller/servicer that services \$50 billion or more in total single-family servicing UPB at the end of any quarter, where the servicer is the master servicer of record. The Enterprises also have the discretion to designate a non-depository as a large seller/servicer in certain circumstances (e.g., the entity is part of a group of seller/servicers that are owned by the same parent company and are large in aggregate). While consideration was given to defining "large" based on the value of a non-depository seller/servicer's MSRs, UPB is a preferable measure due to the volatility and lack of uniformity in valuing MSRs.

3. Could seller/servicers be required to have financial eligibility requirements in excess of the minimum financial requirements?

Yes. The Enterprises may institute requirements beyond the minimum financial eligibility requirements for certain seller/servicers due to situations including, but not limited to, overall complexity, evidence of heightened risks embedded in the business model, or financial condition.

4. How frequently will compliance with the minimum financial eligibility requirements be tested?

The Enterprises will review seller/servicer compliance with the minimum financial eligibility requirements on a quarterly basis. Some requirements for large seller/servicers will be reviewed on an annual basis.

5. What if a seller/servicer is unable to maintain the minimum financial eligibility requirements?

Consistent with current practice, if a seller/servicer does not maintain compliance with the minimum financial eligibility requirements, the Enterprises will have the discretion to take appropriate remedial action. A seller/servicer should contact its Enterprise customer account manager to discuss this question further.

6. Is there an exception process to the minimum financial eligibility requirements?

The Enterprises may review seller/servicer requests and make exceptions where warranted.





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7. Will seller/servicers engaged in servicing transfers be required to be in immediate compliance?

Yes. The Enterprises will continue to assess whether both the transferor and the transferee servicers meet the minimum financial eligibility requirements as a result of the transaction, in addition to other requirements.

8. Are depository institutions tested against the minimum tangible net worth standards?

Yes. Similar to today's practice, depository institutions will need to meet the new minimum tangible net worth standard. Depository institutions are also expected to meet the requirements set by their regulatory agencies.

9. Are depository institutions tested against the minimum liquidity standards?

No. Depository institutions have existing regulatory requirements that the Enterprises will continue to use in assessing financial eligibility. Therefore, only non-depository institutions will be tested against the liquidity requirements.

10. Will subserviced loans be included in the subservicer's minimum financial eligibility requirements?

No. Although subservicers must be Enterprise-approved servicers and meet all applicable minimum financial eligibility requirements, these requirements only apply to loans for which the servicer serves as Master Servicer. Loans that are subserviced are not subject to either the capital or liquidity requirements.

11. What will happen if Ginnie Mae changes its issuer/servicer liquidity or capital requirements?

FHFA will work with the Enterprises to reevaluate the Servicer Eligibility components that pertain to Ginnie Mae's servicing portfolio and will issue changes where appropriate.

12. Are there any reporting and disclosure changes needed to support the requirements?

FHFA has worked with the Enterprises, and others as needed, to add new data fields to the Mortgage Bankers Financial Reporting Form (MBFRF) to facilitate calculations for the requirements.

13. What should a seller/servicer do if it has additional questions about eligibility requirements?

Seller/servicers should contact their customer account manager at either Enterprise if they have additional questions.

