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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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### **FHFA, Fannie Mae and Freddie Mac Announce Independent Dispute Resolution Program Final Piece of Representation and Warranty Framework for Lenders**

**Washington, DC** – FHFA today announced that Fannie Mae and Freddie Mac (the Enterprises) have implemented an independent dispute resolution (IDR) process for resolving repurchase disputes. The program enables lenders to submit unresolved loan level disputes to a neutral third party arbitrator after the appeal and escalation processes have been exhausted. It was developed cooperatively by the Enterprises and FHFA with input and support from the mortgage lending industry.

“The IDR process provides the Enterprises and lenders a mechanism for resolving a repurchase dispute and avoiding the possibility that a dispute might languish unresolved for an extended period of time as has often occurred in the past,” said FHFA Director Melvin L. Watt. “IDR is the final part of the Representation and Warranty Framework which, taken as a whole, will increase clarity for lenders and will ultimately increase access to mortgages for creditworthy borrowers.”

The Representation and Warranty framework has been a priority outlined in the conservatorship Scorecards since 2012. Direction to complete IDR as part of that framework was given in the [2016 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions](#).

The IDR process is available on loans delivered to Fannie Mae and Freddie Mac on or after Jan. 1, 2016. Specific details will be published in the Enterprises’ selling guides in the coming months.

**[\(Links to Freddie Mac Bulletin and Fannie Mae Announcement\)](#)**

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 11 Federal Home Loan Banks. These government-sponsored enterprises provide nearly \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.*