LIBOR Transition Playbook
Collateralized Mortgage Obligations

June 2023
Legal information and disclaimer

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Please be aware that the federal Adjustable Interest Rate (LIBOR) Act (the “LIBOR Act”) became law on March 15, 2022. As required by the Act, the Board of Governors of the Federal Reserve System (“Board”) published regulations identifying Board-selected benchmark replacement rates based on the Secured Overnight Financing Rate (“SOFR”) on December 16, 2022. The regulations published by the Board have a significant impact on steps that the GSEs will take in connection with the transition from LIBOR-indexed products to SOFR-indexed products.
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5. **CMOs**

5.1 **Introduction**

On December 22, 2022, the GSEs announced their selection of 30-day Average SOFR plus a fixed tenor spread adjustment as the benchmark replacement for their LIBOR-indexed CMOs following the cessation of LIBOR. This decision aligns with the Board-selected benchmark replacement for cash transactions that are FHFA-regulated-entity contracts and is applicable to CMOs for which the GSEs are responsible for selecting the benchmark replacement.

Certain CMOs issued following July 2020 may include contractual language indicating a benchmark replacement of Term SOFR. Please note that Fannie Mae and Freddie Mac will refrain from taking any steps that would result in the conversion of any existing SOFR-indexed CMOs from 30-Day Average SOFR to term SOFR based on any provision that calls for such conversion when operationally, administratively, and technically feasible.

The following section will help you understand:

- Key milestone dates for transitioning LIBOR-indexed CMOs
- Guidance on benchmark replacements and associated spread adjustments
- High-level considerations for transitioning legacy LIBOR-indexed CMOs
- Guidance on legacy LIBOR-indexed CMOs

More information on the legacy transition can be found on Fannie Mae’s [LIBOR Transition website](#) and Freddie Mac’s [Reference Rates Transition website](#).

5.2 **Transition milestones**

The GSEs defined key dates related to the transition of legacy LIBOR-indexed CMOs. Milestones will continue to be updated as necessary. Figure 5-1 identifies key transition milestones for CMOs.

*Figure 5-1: CMO transition timeline*

5.3 **Replacement rate determination and spread methodology**

❖ **Benchmark replacement determination**

The LIBOR Act required the Board to publish regulations identifying a Board-selected benchmark replacement based on SOFR. On December 16, 2022, the Board published its final rulemaking confirming the LIBOR replacement. Based on this, the GSEs will transition from 1-month LIBOR to the 30-day Average SOFR rate published by the NY Fed, plus an applicable tenor spread adjustment.
(0.11448% for one month-tenor). 30-Day Average SOFR is published daily on the NY Fed’s website, and the all-in replacement rate can be calculated by pulling the applicable 30-Day Average SOFR rate and adding the 0.11448% tenor spread adjustment. The 30-Day Average SOFR rate that is available as of 3:00 p.m. ET should be used for calculations.

The first date on which spread-adjusted 30-day Average SOFR rate will be used as the replacement index for Fannie Mae legacy CMO transactions will be July 21, 2023. The replacement index will be used for calculating accrued interest during July 25 – August 24, 2023 Accrual Period, and the payments will be made to bondholders on the August 25, 2023 Payment Date.

The first date on which spread-adjusted 30-day Average SOFR rate will be used as the replacement index for Freddie Mac CMO transactions will be July 13, 2023. The replacement index will be used for calculating accrued interest during the July 15 – August 14, 2023 Accrual Period, and the payments will be made to bondholders on the August 15, 2023 Payment Date.

**SOFR spread adjustment methodology**

Under the LIBOR Act, a pre-determined fixed tenor spread adjustment will be applied to the benchmark replacement immediately following the cessation of LIBOR. Figure 5-2 depicts the LIBOR benchmark replacements and spread adjustment methodology for SF and MF CMOs as defined by the LIBOR Act.

For updates on regulatory and industry efforts to advance the legacy transition, refer to the Board’s final rulemaking and ARRC’s website.

*Figure 5-2: Benchmark replacement guidance for CMOs*

<table>
<thead>
<tr>
<th>Board Final Rule Category</th>
<th>Current LIBOR Index</th>
<th>Spread-adjusted SOFR Replacement Index</th>
<th>All-In Replacement Rate Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHFA-Regulated-Entity Contract</td>
<td>1M LIBOR</td>
<td>30-Day Average SOFR + 1-Month Spread Adjustment</td>
<td>30-Day Average SOFR + 0.11448 (percent)</td>
</tr>
</tbody>
</table>

5.4 **Administering legacy LIBOR-indexed CMOs**

❖ **Actions to consider**

Investors and vendors will need to maintain awareness of potential impacts of the LIBOR transition including index and calculation changes. The GSEs will transition from 1-month LIBOR to the 30-day Average SOFR rate published by the NY Fed, plus an applicable tenor spread adjustment (0.11448% for one month-tenor).

*Figure 5-3: Actions to consider when Administering CMOs*
<table>
<thead>
<tr>
<th>Focus areas</th>
<th>Actions to consider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor awareness</td>
<td>- Investors should maintain awareness of the updates to impacted CMOs</td>
</tr>
<tr>
<td>Use of a new index in rate and payment calculations</td>
<td>- Upon evaluation, update and test systems, reporting and other processes or activities related to interest rate adjustment calculations to incorporate the benchmark replacement as necessary</td>
</tr>
</tbody>
</table>
6. Appendix: Introduction to SOFR based new products

6.1 Introduction

To assist stakeholders in preparing for the transition from LIBOR to alternative reference rates ("ARRs"), information and guidance related to the issuance of new contracts have been consolidated into the following appendix sections. The following sections are targeted at readers who need information about the following products:

- Single-Family ("SF") Adjustable-rate Mortgages ("ARMs") and securities, i.e., Mortgage-backed Securities ("MBS") and Participation Certificates ("PCs")
- SF Credit Risk Transfer ("CRT") transactions
- Collateralized Mortgage Obligations ("CMOs")
- Fannie Mae Multifamily ("MF") ARMs and MBS
- Freddie Mac MF Floating-Rate Loans and securities
- MF CRT transactions

The following sections describe key transition milestones and recommended actions for stakeholders to consider as they manage the upcoming transition from LIBOR. The following sections serve as a tool to help plan and adapt business policies, procedures, and processes to support products linked to ARRs and prepare for discontinuing the use of LIBOR as an index.

Under the guidance of FHFA, the GSEs have been working together on several aspects of the LIBOR transition. Where appropriate, the GSEs have aligned policies and milestones. However, each GSE’s timelines and product details may differ. Readers should take note of these differences, which are further explained in each chapter of this document.

For more details and FAQs on each GSE’s transition, refer to LIBOR transition webpages for Fannie Mae and Freddie Mac, respectively.

Please direct any additional questions to your Fannie Mae or Freddie Mac account management teams.

6.2 SOFR-indexed key milestones

The GSEs have established milestones leading to the transition from LIBOR, including timelines for beginning acquisition and issuance of SOFR-indexed products and ceasing acquisition and issuance of LIBOR-indexed products.

Transition timelines are defined for major products offered by the GSEs based on timing for finalizing transition strategies and external market dependencies. Milestones will continue to be updated as necessary. For more detailed timelines, refer to the individual chapters for each product.
### Figure 6-1: Key transition milestones

<table>
<thead>
<tr>
<th>Product</th>
<th><strong>Fannie Mae</strong></th>
<th></th>
<th><strong>Freddie Mac</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Offer SOFR products</td>
<td>Cease LIBOR offering</td>
<td>Offer SOFR products</td>
<td>Cease LIBOR offering</td>
</tr>
</tbody>
</table>
| SF ARMs and MBS/PCs¹ | Aug. 2020 | Dec. 2020² | Nov. 2020 | ▪ **Dec. 2020**: Last LIBOR ARM Guarantor PC Issue Date  
▪ **Dec. 2020**: Last LIBOR ARM Settlement Date |
| Fannie Mae MF ARMs and MBS¹ | Sep. 2020 | Dec. 2020 | N/A | N/A |
| Freddie Mac MF Floating-Rate Loans and securities | N/A | N/A | ▪ **Dec. 20, 2019**: K-deals  
▪ **Sep. 1, 2020**: Floating-Rate Loans  
▪ **Dec. 17, 2020**: K-deals backed only by SOFR-indexed Floating-Rate Loans | ▪ **Dec. 2020**: Ceased purchase of LIBOR-indexed Floating-Rate Loans and hybrid loans  
▪ **End of Q2 2021**: Ceased issuance of LIBOR-indexed securities |

¹ The underlying mortgages needed to have an application date no later than September 30, 2020. Effective June 30, 2022, the GSEs will no longer resecuritize LIBOR-indexed MBS/PCs and Megas/Giants into new issuance LIBOR-indexed bonds.

² The GSEs stopped accepting LIBOR-indexed pool deliveries after this date.

³ The GSEs will no longer issue resecuritizations of previously issued LIBOR-indexed certificates (whether CMO or ARM certificates) into new LIBOR-indexed bonds that settle after June 30, 2022.
9. Appendix: CMOs

9.1 Introduction

The ARRC endorsed SOFR as its recommended benchmark replacement to LIBOR in anticipation of the cessation of LIBOR.

To prepare for the cessation of LIBOR, the GSEs adopted a modified version of the ARRC securitization waterfall for new-issue LIBOR-indexed CMOs. The GSEs started offering SOFR-indexed CMOs for settlement in July 2020. Additionally, under the guidance of FHFA, Freddie Mac and Fannie Mae ceased offering new LIBOR-indexed CMOs for issuance. This includes resecuritizations of existing LIBOR-indexed CMOs (both Single-Family and Multifamily) and MBS/PCs into new-issuance LIBOR-indexed bonds effective June 30, 2022. The resecuritization of LIBOR-indexed CMOs and MBS/PCs into appropriately structured new-issue SOFR bonds will continue to be permitted.

9.2 Overview

The GSEs have structured new-issue Delay and Non-Delay SOFR-indexed CMOs that use 30-day Average SOFR published by the NY Fed as the reference rate, with a Determination Date of 2 Business Days (2BD) prior to the beginning of the accrual period for 45-, 55- and 75-day Delay and Non-Delay securities (same as current LIBOR-indexed CMOs).

Certain CMOs issued following July 2020 may include contractual language indicating a benchmark replacement of Term SOFR. Please note that Freddie Mac and Fannie Mae will refrain from taking any steps that would result in the conversion of any existing SOFR-indexed CMOs from 30-Day Average SOFR to Term SOFR based on any provision that calls for such conversion when operationally, administratively, and technically feasible.

9.3 Eligible collateral

For new-issue SOFR-indexed CMOs, the GSEs will accept all collateral that is currently acceptable for LIBOR-indexed structures at each respective entity. For more information on how collateral may be affected by the transition, refer to “Securitization of SOFR ARMs” in section 2.4, “Preparation for SF SOFR ARMs.”

9.4 Issuance

❖ Delay and Non-Delay (30-day Average SOFR)

The Determination Date for 45-, 55- and 75-day Delay and Non-Delay securities based on 30-day Average SOFR is 2BD prior to the beginning of the accrual period. This is the same as the practice that was used for LIBOR-indexed securities.

9.5 Administration

❖ Key updates for 45-day, 55-day and 75-day Delay CMOs

For 45-, 55- and 75-day Delay CMOs based on 30-day Average SOFR (or “Compounded SOFR” per the subsequent timelines), the Determination Date will be 2BD prior to the beginning of the accrual period. This is the same as for LIBOR-indexed CMOs, which also have a Determination Date of 2BD prior to the accrual period (prior month). The graphics on the subsequent pages display the timing.
**Figure 9-1: 45-day Delay CMOs**

- **Legacy:** One-Month LIBOR
- **Current Implementation:** Compounded SOFR
- **Hypothetical Availability:** Term SOFR

**Figure 9-2: 55-day Delay CMOs**

- **Legacy:** One-Month LIBOR
- **Current Implementation:** Compounded SOFR
- **Hypothetical Availability:** Term SOFR
Key updates for 45-day, 55-day and 75-day Non-Delay CMOs

For 45-, 55- and 75-day Non-Delay CMOs based on 30-day Average SOFR, the Determination Date will be 2BD prior to the beginning of the accrual period. This is the same as for LIBOR-indexed CMOs, which have a Determination Date of 2BD prior to their respective accrual periods (the 13th for 45-day, or the 23rd for 55-day) of the month preceding payment, or the 13th (75-day) of the second month preceding payment. The graphics on the subsequent pages display the timing.
9.6 Disclosure changes

❖ Key updates

Index rate disclosure files now contain a new column titled “Current Month Payment Indicator” which contains a “Y” if the rate applies to the current month’s payment factor calculation and an “N” if it does not.

CSS will publish index rate files on the first business day of the month (for all Delay securities), on the
15th of the month minus two business days (for Non-Delay 45- and 75-day securities), and on the 25th of the month minus two business days (for Non-Delay 55-day securities) at 6:30 p.m. ET; the previous schedule had the posting of files at 4:30 p.m. ET for Freddie Mac.

❖ **Actions to consider**

Discuss changes to disclosures with your disclosure vendor to ensure that your system can correctly apply the new “Current Month Payment Indicator” value.
# 14. Summary of Prior Changes

<table>
<thead>
<tr>
<th>Section</th>
<th>Summary of changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>June 2020</strong></td>
<td></td>
</tr>
<tr>
<td>1.2 LIBOR transition milestones</td>
<td>Updated the date of the first SOFR-indexed CMO issuance from June 2020 to July 2020</td>
</tr>
</tbody>
</table>
| 4. Collateralized Mortgage Obligations | - Updated the date of the first SOFR-indexed CMO issuance from June 2020 to July 2020  
- Changed the “Determination Date” to 2 Business Days (2BD) prior to the beginning of the accrual period  
- Updated graphics to reflect a Determination Date of 2 BD prior to the beginning of the accrual period for 45-day, 55-day and 75-day delay and Non-Delay Compounded SOFR-indexed securities (per investor deck) |
| **July 2020** | |
| 3. Single-Family Credit Risk Transfer transactions | Specified that the Determination Date will be 2 Business Days (2BD) prior to the beginning of the accrual period for CRT securities |
| 5. Fannie Mae Multifamily Adjustable-Rate Mortgages and Mortgage-Backed Securities | - Clarified that Fannie Mae is currently designing a new MF SOFR-indexed “capped” ARM  
- Specified that MF SOFR-indexed product terms will be publicly announced in the third quarter of 2020 |
| 7. Fannie Mae Multifamily Credit Risk Transfer transactions | Specified that the Determination Date will be 2 Business Days (2BD) prior to the beginning of the accrual period for CRT securities |
| **August 2020** | |
| 1. Overview | Freddie Mac Multifamily – Updated LIBOR product dates |
| 2. Single-Family Adjustable-Rate Mortgages and Securities | Updated language to reflect that Fannie Mae is now accepting delivery of SOFR-indexed ARMs |
| 4. Collateralized Mortgage Obligations | Updated language to reflect that Fannie Mae and Freddie Mac are now issuing SOFR-indexed CMOs |
| 6. Freddie Mac Multifamily Floating-Rate Loans and Securities | Updated SOFR-indexed loan offering details, including loan structure, interest rate protection, and origination and underwriting process changes |
| **September 2020** | |
| 1. Overview | Updated the date to offer SF ARMs and securities products for Freddie Mac from Nov. 16, 2020 to Nov. 9, 2020  
Updated Freddie Mac cessation of SF LIBOR ARMs and securities to include the last LIBOR ARM settlement on Dec. 31, 2020 and the last LIBOR ARM Guarantor PC issue date on Dec. 1, 2020 |
| 2. Single-Family Adjustable-Rate Mortgages and Securities | Updated the announcement regarding the last MBS/Guarantor PC issue date to indicate that it would be for LIBOR ARMs with a latest settlement date of Dec. 31, 2020  
Changed date from Nov. 16, 2020 to Nov. 9, 2020 for Loan Selling Advisor system updates and made a minor word change (i.e., “similar to” to “like”)  
Inserted language and dates regarding Loan Product Advisor’s availability  
Deleted “Fannie Mae only” and “Freddie Mac only” language under actions to consider in GSE systems for preparation for SF SOFR ARMs section  
Made a minor word change (i.e., “accept” to “purchase”) in Cessation of Purchase of SF LIBOR ARMs section |
| 4. Collateralized Mortgage Obligations | Updated to indicate that the cessation will not apply to RCR/MACR exchange or resecuritizations of previously issued LIBOR-indexed certificates (whether CMO or ARM certificates) as long as such resecuritizations do not increase the exposure of LIBOR-indexed certificates |
| 5. Fannie Mae Multifamily Adjustable-Rate Mortgages and Mortgage-Backed Securities | Updated to indicate that Fannie Mae has developed the Structured ARM, 7/6 ARM, Hybrid ARM and a new MF capped ARM product and released them on Sep. 1, 2020  
Updated to indicate that Fannie Mae has the capability to purchase SOFR-indexed ARMs beginning Sep. 1, 2020  
Specified that product-specific features were made available on Fannie Mae’s Multifamily website as well as during external training sessions  
Noted that at this time, at least one cap provider is prepared to issue SOFR-indexed interest rate caps  
Removed margin resulting from change in index from key update in originating and underwriting MF SOFR-indexed ARMs  
Specified that the Multifamily Guide has been updated  
Updated that Fannie Mae systems reflect options and dropdowns for SOFR-indexed ARMs  
Specified that servicers are required to manage ARM payments throughout the life of newly originated SOFR-indexed loans  
Specified that servicing systems require updates to manage calculations and reconciliation for borrower payments using the new rate |
| 6. Freddie Mac Multifamily Floating-Rate Loans and Securities | Updated Interest rate protection section with details on availability and interest rate caps. Also updated Small Balance Loan Hybrid Floating-Rate Loans section  
Deleted details regarding overlap period in the Conventional, Seniors Housing, TAH section. Updated link for “Refinance Test”  
Updated to indicate that as of Sep. 1, 2020, Freddie Mac ceased issuing quotes for LIBOR-indexed loans  
Made grammatical and tense changes to the section 6 |
### October 2020

| 1.2 LIBOR transition timelines | • Added a footnote to clarify that the GSEs will no longer accept LIBOR-indexed pool deliveries after December 31, 2020. However, the GSEs may continue to issue LIBOR-indexed MBS products after December 31, 2020 using cash loans with application dates of September 30, 2020 or earlier in its portfolio  
• Revised footnote 3 to reflect GSE’s continued issuance of resecuritizations of previously issued LIBOR-indexed certificates and include details of total unpaid balance of LIBOR-indexed certificates. |
| 2. Single-Family Adjustable-Rate Mortgages and Securities | • Updated language to clarify that December 1, 2020 is the last issue date for LIBOR-indexed ARM MBS/Guarantor PCs to be delivered to the GSEs with a latest LIBOR-indexed ARM settlement date of December 31, 2020  
• Updated language to indicate that the GSEs have stopped accepting LIBOR ARMs with Application Received Dates after September 30, 2020  
• Updated the transition timeline graph to clarify the milestone description for December 31, 2020  
• Removed language calling out specific plan that the GSEs will stop purchasing after December 31, 2020 |
| 4. Collateralized Mortgage Obligations | • Updated language to indicate that Freddie Mac and Fannie Mae have ceased offering new LIBOR-indexed CMOs for issuance  
• Updated the graphs in the administration section to indicate that LIBOR is no longer the current state and Compounded SOFR is no longer a hypothetical implementation |
| 4.7 Approach for transitioning legacy CMOs | • Updated language to reflect next steps for legacy LIBOR-indexed CMOs |
| 5. Fannie Mae Multifamily Adjustable-Rate Mortgages and Mortgage-Backed Securities | • Updated language to reflect that Fannie Mae now has new SOFR-indexed product offerings available |
| 6. Freddie Mac MF Credit Risk Transfer Transactions | • Removed “In the event that Freddie Mac believes it is necessary to issue new SCR Notes again prior to market readiness and interest in MF CRT Floating-Rate securities based on an ARR, Freddie Mac expects the SCR Notes will be a LIBOR Floating-Rate CRT issuance and will be structured in alignment with the STACR program.” |

### November 2020

| 1. Overview | • Updated dates and details around SOFR and LIBOR product offerings for Fannie Mae MF ARMs and MBS  
• Removed references to specific ARRs for existing contracts from the overview section and added them to the product-specific sections |
| 2. Single-Family Adjustable-Rate Mortgages and Securities | • Updated the transition timeline graph to clarify delivery milestones in December 2020 and updated the transition of existing LIBOR ARM loans to TBD |
| 3. Single-Family Credit Risk Transfer transactions | ▪ Updated language to indicate Fannie will have the capability to issue SOFR-indexed CRT deals in Q1 2021  
▪ Updated outstanding SF CRT notes that are indexed to one-month LIBOR as of September 30, 2020 at Fannie Mae ($25.6 billion) and at Freddie Mac ($27.5 billion)  
▪ Updated the language and SF CRT timeline to indicate the issuance of Freddie Mac’s SOFR-indexed CRT |
| 4. Collateralized Mortgage Obligations | ▪ Added language on SOFR-indexed CMOs, transitioning from 30-day Average SOFR to Term SOFR, when Term SOFR becomes available |
| 5. Fannie Mae Multifamily Adjustable-Rate Mortgages and Mortgage-Backed Securities | ▪ Updated language to indicate that Fannie Mae has stopped accepting LIBOR loans with commitment dates after September 30, 2020  
▪ Updated language to indicate that Fannie Mae has stopped issuing LIBOR-indexed ARM pools with MBS pool issue dates after December 1, 2020  
▪ Updated transition milestone timeline to indicate that timeline for the legacy conversion to an ARR at MF’s discretion is TBD  
▪ Updated language to clarify that Fannie Mae will purchase both LIBOR- and SOFR-indexed ARMs through the end of 2020 |
| 6. Freddie Mac Multifamily Floating-Rate Loans and Securities | ▪ Updated language to include SOFR-indexed bonds  
▪ Added details on K-F-73, K-F76, K-F77, K-F94, SOFR-SOFR bonds  
▪ Updated verbiage and added explanation of remaining key dates |
| 7. Fannie Mae Multifamily Credit Risk Transfer transactions | ▪ Updated the “as of date” for the $0.9 billion outstanding CRT notes indexed to one-month LIBOR from June 30, 2020 to September 30, 2020 (exposure remained the same since June) |

**March 2021**

| 1. Overview | ▪ Incorporated updates related to recent industry announcements regarding LIBOR cessation |
| 2. Single-Family Adjustable-Rate Mortgages and Securities | ▪ Updated transition timelines to reflect latest market announcements and consultations  
▪ Updated and removed language to reflect the GSEs no longer purchasing SF LIBOR-indexed ARMs |
| 3. Single-Family Credit Risk Transfer | ▪ Updated figures to reflect the GSEs’ current outstanding legacy SF CRT notes  
▪ Updated language around the discontinuation of LIBOR-indexed SF CRT deals at the end of Q4 2020 and current structure of SOFR-indexed CRT transactions |
| 5. Fannie Mae Multifamily Adjustable-Rate Mortgages and Mortgage-Backed Securities | ▪ Updated and removed language to reflect Fannie Mae no longer purchasing MF LIBOR-indexed ARMs  
▪ Updated language around legacy LIBOR-indexed ARM product conversion  
▪ Included new actions to consider for selling and delivering MF SOFR-indexed ARMs |
<table>
<thead>
<tr>
<th>Section</th>
<th>Changes</th>
</tr>
</thead>
</table>
| **6. Freddie Mac Multifamily Floating-Rate Loans & Securities** | - Updated language to address termination of LIBOR Cap option; removed requirements for purchasing a LIBOR-indexed Cap  
- Modified tenses to reflect what has been done and what is still to be done  
- Updated language to indicate that the SOFR-SOFR bond structure that started in K-F95 is the current structure in use  
- Removed various subsections that contained outdated information  
- Removed pipeline management, communications, and borrower outreach best practices from section 6.6 |
| **7. Fannie Mae Multifamily Credit Risk Transfer** | - Updated figures to reflect Fannie Mae’s current outstanding legacy MF CRT notes |
| **8. Freddie Mac MF CRT Transactions** | - Updated content to reflect completion of Freddie Mac’s first SOFR-indexed MF CRT issuance  
- Removed “Timeline and milestones” section  
- Updated Legacy CRT transition section to reflect the plan to not issue any LIBOR based CRT deals in the future |
| **October 2021** | **Updated formatting throughout document** |
| All Sections | - Updated the cessation date of key LIBOR tenors; added the ARRC’s endorsement of the CME Term SOFR Rates to the list of SOFR milestones with a link to the original announcement |
| **1. Overview** | - Figure 2-1: Added a milestone for the ARRC’s selection of Refinitiv as the vendor for benchmark replacements and updated language in timeline  
- 2.4 Preparation for SF SOFR ARMs: Updated Freddie Mac’s Loan Product Advisor timelines; updated language around 30-day Average SOFR Hybrid ARM Index codes and the SF MBS Disclosures Guide; removed Freddie Mac’s guidance to sellers on IFI J23 for non-SOFR-indexed ARMs  
- 2.5 Transition Existing SF LIBOR ARMs: Added a statement for servicers about non-standard notes |
| **2. Single-Family Adjustable-Rate Mortgages and Securities** | - 3.2 SOFR-indexed CRT new issuance: Updated language to reflect the availability of Term SOFR, the issuance of SOFR-indexed CRT transactions, and added language about the determination of the administrative feasibility of Term SOFR  
- Figure 3-1: Updated timeline to reflect Fannie Mae’s operational readiness for SOFR-indexed SF CRT issuance  
- 3.3 Timeline and milestones: updates to reflect availability of Term SOFR  
- 3.4 Legacy SF CRT transition: Updated estimates of outstanding SF CRT notes indexed to one-month LIBOR |
| **3. Single-Family Credit Risk Transfer** | - 4.2 Overview: Updated information related to Term SOFR; added language about the determination of the administrative feasibility of Term SOFR  
- 4.7 Approach for transition legacy CMOs: Added language about the determination of the administrative feasibility of Term SOFR |
| 5. Fannie Mae Multifamily Adjustable-Rate Mortgages and Mortgage-Backed Securities | - Figure 5-1: Updated the conversion date for LIBOR-indexed MF ARMs  
- 5.4 Preparation for MF SOFR-indexed ARMs: Updated index publication source language to show there have not been any recent updates |
| 6. Freddie Mac Multifamily Floating-Rate Loans and Securities | - 6.2 Planned product modifications: Added language about the use of Term SOFR and the determination of its administrative feasibility; added a statement about the availability of LIBOR-indexed interest rate caps  
- Figure 6-1: Moved clarification from figure to footnotes  
- 6.4 MF Floating-Rate securities indexed to SOFR: Removed an outdated statement about the conversion of LIBOR-indexed loans and bonds  
- Figure 6-7: Moved clarification from figure to footnotes |
| 7. Fannie Mae Multifamily Credit Risk Transfer | - 7-2 SOFR-indexed CRT new issuance: Provided updates related to Term SOFR; added language about the determination of the administrative feasibility of Term SOFR  
- Figure 7-1: Updated timeline to reflect Fannie Mae’s operational readiness for SOFR-indexed MF CRT issuance  
- 7-3 Legacy CRT transition: updated the “as of” date for estimated outstanding CRT notes indexed to one-month LIBOR |

**June 2022**

| All Sections | Updated formatting, diction, and abbreviations throughout for consistency  
- Updated language to reflect the Adjustable Interest Rate (LIBOR) Act  
- Updated language across all products to reflect the GSEs’ plan to make an official announcement on their final transition strategies |
| 1. Overview | Updated titles and links to key resources  
- Updated footnotes to reflect the cessation of resecuritizing existing LIBOR-indexed Single-Family and Multifamily CMOs and MBS/PCs into new-issuance LIBOR-indexed bonds |
| 2. Single-Family Adjustable-Rate Mortgages and Securities | Removed language about final LIBOR-indexed SF ARM settlement date  
- Added milestones for the Board’s proposed and final rulemaking and the rulemaking to the SF timeline  
- Updated timeline to include year 2022 and tentative plans for a legacy transition announcement  
- Updated margin features for Fannie Mae SF SOFR ARMs |
| 3. Single-Family Credit Risk Transfers | Updated to reflect Fannie Mae beginning to issue SF SOFR-indexed CRTs  
- Updated timeline to include year 2022 and tentative plans for a final legacy transition strategy announcement |
| 4. Collateralized Mortgage Obligations | Updated language to reflect the cessation of resecuritizing existing LIBOR-indexed Single-Family and Multifamily CMOs and MBS/PCs into new-issuance LIBOR-indexed bonds |
| 7. Fannie Mae Multifamily Credit Risk Transfer | Shortened section to emphasize similarities to Section 3, “Single-Family Credit Risk Transfers,” and align with the structure of Section 8, “Freddie Mac Multifamily Credit Risk Transfer Transactions” |
### January 2023

| All Sections | - Updated formatting, diction, and abbreviations throughout for consistency  
| | - Updated language to reflect implementation of the Adjustable Interest Rate (LIBOR) Act  
| | - Updated all sections to add details related to the legacy transition for each product  
| | - Prior sections of the playbook focused on new products have been moved to the appendix  
| 1. Overview | - Updated titles and links to key resources  
| | - Added section defining the LIBOR Act  
| | - Added new section on key industry and regulatory milestones  
| | - Updated LIBOR transition timeline view  
| 2. Single-Family Adjustable-Rate Mortgages and Securities | - Updated introduction to reflect GSE announcement of CME Term SOFR selection  
| | - Updated transition milestones timeline  
| | - Updated sections 2.3-2.6 to focus on legacy LIBOR-indexed SF products  
| | - Updated milestones for the Board’s final rulemaking on the SF timeline  
| 3. MF ARMs and Securities | - Combined Fannie Mae and Freddie Mac MF ARMs and Securities information into one section  
| | - Added consolidated transition milestone timeline  
| | - Updated content throughout to describe the replacement rate determination and other details related to the transition of LIBOR-indexed MF products  
| 4. CRT Transactions | - Consolidated Fannie Mae and Freddie Mac details for SF and MF CRTs into one section  
| | - Added consolidated transition milestone timeline  
| | - Updated content throughout to describe the replacement rate determination and other details related to the transition of LIBOR-indexed CRTs  
| | - Clarified plan to keep all SOFR-indexed CRTs indexed to 30-Day Average SOFR  
| 5. CMOs | - Moved CMO details to section 5  
| | - Added consolidated transition milestone timeline  
| | - Updated content throughout to describe the replacement rate determination and other details related to the transition of LIBOR-indexed CMOs  
| | - Clarified plan to keep all SOFR-indexed CMOs indexed to 30-Day Average SOFR  

### April 2023

| All Sections | - Updated Replacement rate determination sections to include finalized replacement index names, Refinitiv Instrument Codes (for SF) and all-in replacement rate calculations  
| 1. Overview | - Added Replacement rate determination summary section, providing a consolidated view of benchmark replacement rate information for all products  
| | - Adjusted all instances of “static spread” to “fixed tenor spread” to clarify the application of spread adjustments to replacement rates  

20
<table>
<thead>
<tr>
<th>Section</th>
<th>Updates</th>
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<tbody>
<tr>
<td>2. SF ARMs and MBS/PCs</td>
<td>Updated index description and all-in replacement rate calculation information in Section 2.3</td>
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</table>
| 3. MF ARMs and Securities                                              | Updated section 3 to reflect naming conventions for Freddie Mac Multifamily Floating Rate Loans  
                      | Updated index description and all-in replacement rate calculation information in Section 3.3  
                      | Updated and restructured Section 3.4 to include additional illustrations of the impact of the transition on Fannie Mae Multifamily MBS products |
| 4. CRT Transactions                                                    | Updated 4.3 with additional clarity on spread adjustment to align with updates made to the FAQs  
                      | Updated index description and all-in replacement rate calculation information in Section 4.3 |
| 4. CMOs                                                                | Updated index description and all-in replacement rate calculation information in Section 5.3 |