



Announcement 08-15

June 19, 2008

Amends these Guides: Selling and Servicing

Suspension of Triad Guaranty Insurance Corporation as an Approved Mortgage Insurer

Introduction

On or about April 1, 2008, the insurer financial strength ratings of Triad Guaranty Insurance Corporation (“Triad”), the mortgage insurance subsidiary of Triad Guaranty Inc. (“TGIC”), were downgraded by the rating agencies below the AA- level. Although Triad’s rating fell below Fannie Mae’s Qualified Mortgage Insurer Approval Requirements necessary for Type 1 status, Fannie Mae notified Triad that its status would remain unchanged at such time, pending submission of a remediation plan by TGIC and our review of it. On June 19, 2008, TGIC announced that Triad had been voluntarily placed in run-off and will no longer write any new mortgage insurance policies on or after July 15, 2008.

Suspension

In light of Triad’s announced run-off, Fannie Mae is suspending Triad as an approved mortgage insurer effective immediately as provided by Fannie Mae’s Qualified Mortgage Insurer Approval Requirements.

As a result, Fannie Mae will not purchase or guarantee any mortgage loan insured by Triad that was closed before March 15, 2008 or on or after July 15, 2008. Only mortgage loans insured by Triad that are closed during the intervening period are eligible for delivery. This eligibility window is intended to provide a reasonable period for pipeline clearance. In addition, eligible mortgage loans (i.e., those insured by Triad that are closed on or after March 15, 2008 and before July 15, 2008) must be delivered into MBS with issue dates on or before October 1, 2008 or sold as whole loans to Fannie Mae on or before October 31, 2008. This includes mortgage loans having either borrower-paid or lender-paid mortgage insurance from Triad.

Existing Triad Insurance

At this time, servicers should continue to renew coverage with Triad when existing policies expire unless and until notified otherwise by Fannie Mae. Any requirement to cease renewing Triad policies will be communicated to servicers with sufficient notice from its effective date.

Acceptable Conventional Mortgage Insurers and MI Codes

The list of Acceptable Conventional Mortgage Insurers and MI Codes for Loan Delivery that appears on eFannieMae.com is amended effective immediately to expressly indicate that (in addition to the Fannie Mae delivery deadlines referred to above) the only mortgage loans insured by Triad that are eligible for sale to Fannie Mae are those that were closed on or after March 15, 2008 and before July 15, 2008. These mortgage loans are identified by use of MI Code 24. The revised list may be accessed at the following link: www.efanniemae.com/sf/refmaterials/frequsedcodes/pdf/micodes.pdf

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Lenders who have questions about Announcement 08-15 should contact their Customer Account Team for additional information. Servicers should contact their Servicing Consultant, Portfolio Manager, or Fannie Mae's National Servicing Organization's Servicing Solutions Center at 1-888-326-6438.

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