

Servicing Notice

Jan. 25, 2023

Legacy LIBOR Replacement Index

On Dec. 16, 2022, the Board of Governors of the Federal Reserve System (Federal Reserve Board) [published regulations](#) identifying Board-selected benchmark replacement rates for London Interbank Offered Rate (LIBOR) ARM loans. The replacement rates will be based on the Secured Overnight Financing Rate (SOFR). The Federal Reserve Board selected the replacement rates as required by the Federal Adjustable Interest Rate (LIBOR) Act and in anticipation of LIBOR's cessation on the day after June 30, 2023, which is the last date on which the remaining LIBOR tenors will be published in their representative form.

In light of the Federal Reserve Board's published regulations, we are announcing that the replacement index to be used for servicing our legacy single-family LIBOR ARM loans will be a spread-adjusted term SOFR administered by the CME Group Benchmark Administration, LTD. and published by Refinitiv Limited. Refinitiv publishes both a [summary](#) view and [historical](#) view of consumer fallback rates. The following table lists the replacement rates for legacy single-family LIBOR ARM loans.

LIBOR Replacement Rates for Single-Family ARM Loans*			
LIBOR Index	1-Month	6-Month	1-Year
Active Index Codes	62	45, 51, 58	75, 89
Replacement Index Name**	Refinitiv USD IBOR Consumer Cash Fallback 1-Month (CME Term SOFR)	Refinitiv USD IBOR Consumer Cash Fallback 6-Month (CME Term SOFR)	Refinitiv USD IBOR Consumer Cash Fallback 12-Month (CME Term SOFR)
Refinitiv Instrument Code (RIC)	USDCFCFCTSA1M	USDCFCFCTSA6M	USDCFCFCTSA1Y
Replacement Index Details	1-Month CME Term SOFR + Transition Tenor Spread Adjustment	6-Month CME Term SOFR + Transition Tenor Spread Adjustment	12-Month CME Term SOFR + Transition Tenor Spread Adjustment
Rate	All-In	All-In	All-In
Feature	No Floor	No Floor	No Floor
Fannie Mae Internal Replacement Index Name***	62 - 1mLIBORReplacement_Frmly_1mLIB_WSJ_Daily	45 - 6mLIBORReplacement_Frmly_6mLIBOR_WSJ_BD1 51 - 6mLIBReplcmt_Formly_6mLIBWSJ_Mnthly_CD15 58 - 6mLIBORReplacement_Frmly_6mLIB_WSJ_Daily	75 - 1yLIBORReplacement_Frmly_1yLIB_WSJ_Daily 89 - 1yLIBORReplacement_Frmly_1yLIBOR_WSJ_BD1
*Also includes Home Keeper™ reverse mortgage loans indexed to 1-month LIBOR.			
**Servicers must use the Replacement Index Name in connection with its external communications and disclosures to borrowers, subject to applicable law.			
***Fannie Mae's Internal Replacement Index name may be referenced on certain servicing-related reports and systems.			



NOTE: Servicers must use the all-in, no floor rate (which includes the applicable tenor spread adjustment). The all-in rate is represented in the Refinitiv summary view and by the applicable RIC in the Refinitiv historical view.

Impact on Mortgage Loan Servicing

Servicers must continue to provide borrowers notice of all interest rate and payment changes as described in *Servicing Guide C-2.1-02*, Notifying the Borrower Regarding Interest Rate and/or Payment Changes. Servicers must also continue to follow all other policies applicable to adjustable-rate mortgage loans in the *Servicing Guide*.

Resources

To learn more about the LIBOR transition, please visit our [LIBOR Transition page](#), [LIBOR FAQs](#), and [LIBOR Playbook](#).

Servicers who have questions about this Notice should contact their Fannie Mae Account Team, Portfolio Manager, or Fannie Mae's Single-Family Servicer Support Center at 1-800-2FANNIE (1-800-232-6643). Have Guide questions? Get answers to all your policy questions straight from the source. [Ask Poli](#).