About Fannie Mae

Fannie Mae is a government-sponsored entity (GSE), chartered by Congress, with a mission to provide liquidity, stability and affordability to the U.S. housing and mortgage markets.

Fannie Mae operates in the U.S. secondary mortgage market. Rather than making home loans directly to consumers, we work with mortgage bankers, brokers and other primary mortgage market partners to help ensure they have funds to lend to home buyers at affordable rates.

For more information visit www.fanniemae.com.

RFx Scope

Fannie Mae is conducting a Request for Proposal (RFx) to engage a consultant with extensive expertise and experience in the assessment of flood risk, related natural disaster risk, and familiarity with mortgage credit risk modeling. The goal of our project is to assess the flooding risk exposure across Fannie Mae's single-family guarantee book of business.

Project Objective

Fannie Mae's role as an insurer of 30-year mortgage products and standard setter for the U.S. housing market allows us a unique view on the management of mortgage credit risk. There has been recent interest in how Fannie Mae thinks about risk management related to natural disasters, and specifically to risks around exposure to flooding. Fannie Mae currently requires flood insurance from the National Flood Insurance Program (NFIP) or the private sector equivalent for loans made in FEMA-designated special flood hazard areas or Coastal Barrier Resource System areas.

However, our potential exposure to flooding-related risk may not be fully captured under NFIP insurance coverage. Flooding occurs outside of the NFIP's designated special flood hazard areas and there is potential future exposure to phenomena such as rising sea levels and increased sustained variances in weather patterns, which may generate contingent liabilities on our credit guarantees.

The main objective of the project is a quantification of risk exposure to flooding and related risks on our current guarantee book of business. The quantification will involve a view on loan-level default and loss assumptions as a function of geography, flood insurance coverage, and modeled disaster risk.

The final output is expected to include a management-level report that contains a dollar-value of exposure to various flood-related risks. It should also provide a series of sensitivity analyses on the dollar-value of risk exposure due to changes in other variables as well as identify any gaps in our risk assessment, both for loans currently covered under the NFIP and those outside designated special flood hazard areas.

Project Requirements

We identified four specific goals that this project should accomplish:

- 1. Quantify exposure to coastal and inland flood risk on Fannie Mae's single-family guarantee book of business, including sensitivities to different variables.
- 2. Identify geographic areas that may be at-risk under different assumed scenarios.
- 3. Build view on default assumptions and potential loss severities for single-family mortgage loans exposed to flooding risk.
- 4. Produce a management-level report and executive summary presentation on findings and recommendations for Fannie Mae.

US-Based Services

All Services must be performed using personnel, facilities, equipment and other resources that are physically located within the United States. No approval will be issued by Fannie Mae to perform services outside the United States.

Instructions

Supplier shall follow these steps to complete their response:

Review the terms in the "General Info" tab.

Read all attachments in the "Attached Documents" tab.

Respond to the questions in the "Questionnaire" tab.

One of the requirements is for Supplier to complete the Pricing Template found in the "Attached Documents" tab. Supplier shall submit the pricing quote using the Microsoft Excel Pricing Template without altering the structure or format of the template. The completed Pricing Sheet and Supplier's responses to the questions in this ProcureOne sourcing tool shall serve as the basis for Fannie Mae's evaluation of the Supplier. The Supplier must provide their Overall Bid Amount in the "Quotation Form" tab before submitting their bid.

Attachments added to comments will not be reviewed by Fannie Mae. If you want a document to be included in your proposal, attach it to the "Attachments" tab and clearly indicate the question # that it is in reference to.

Message Forum

It is Supplier's responsibility to inquire about and request clarification of any aspect of this RFx that is not understood. If Supplier discovers any material ambiguity, conflict, discrepancy, omission, or other error in this RFx, they should immediately notify Fannie Mae using the message forum within ProcureOne with a request for modification or clarification.

Supplier questions related to this RFx should be submitted in the message forum. Fannie Mae will provide responses at its sole discretion, and may, at Fannie Mae's sole discretion, provide responses to all Suppliers (but without attribution to the originating Supplier).

RFx Schedule

Supplier shall refer to the "General Info" tab for relevant key dates. Any requests or delays should be communicated to the Fannie Mae POC as soon as they are identified. Fannie Mae reserves the right to grant extensions at its sole discretion.

Fannie Mae's Single Point of Contact

Fannie Mae has designated a Point of Contact (POC) to manage this sourcing process. Any communication related to this sourcing process must be directed to the POC. Supplier may not communicate with any Fannie Mae employee or contractor concerning this sourcing process unless approved in advance by the Fannie Mae POC. Fannie Mae may disqualify a Supplier that engages in unauthorized communication. Please see the Fannie Mae POC's contact information below:

Name: Rebecca Thibaudeau

Business Unit: Corporate Procurement

Title: Sourcing Specialist Phone: 972-861-6466

Email: rebecca thibaudeau@fanniemae.com

Supplier's Primary Point of Contact

Proposal Submission and other material representations must be made by your Firm's Primary Point of Contact (as listed on the Contact tab of your Supplier record). The Primary Point of Contact should be an authorized Supplier representative with the requisite decision making authority.

Pricing

Fannie Mae has several expectations of each Supplier regarding its pricing of the products and/or services included in this RFx.

These expectations include the following:

Supplier will submit and provide the most competitive and comprehensive pricing for the products and/or services, detailing the charges and associated expenses where appropriate.

Supplier will maintain competitive pricing throughout the term of the relationship with Fannie Mae. To the extent that Supplier's response includes travel and expense items, Supplier will be expected to adhere to Fannie Mae's Travel and Expense Reimbursement Policy.

Suppliers are required to respond to each line item within the Line Item section of this RFx. Suppliers should respond to each request for pricing with the units and cost structure outlined in the RFx inclusive of all costs as described in this RFx. Should Supplier be unable to provide a line item, Supplier should leave the price field blank and indicate its inability to provide the good or service in the 'Additional Information' field.

Proposal Evaluation Criteria

Fannie Mae will evaluate Proposals based on capabilities, total cost, ongoing commitment, supplier viability, as well as any other factors the evaluation team deems relevant. Fannie Mae will evaluate Proposals based on the materials submitted. Proposals should be complete and specifically address all requirements in the RFx. Supplier must state any material assumptions made in formulating its proposal.

Supplier Registration

Supplier should maintain an up to date "Supplier Profile" at all times and may be asked to certify that the company meets Fannie Mae's Minimum Supplier Qualifications (MSQ). This will ensure timely communication of information pertaining to this RFx.

Refer to the attached training guide for instructions on updating Supplier's information.

Diversity in Contracting

Fannie Mae is committed to diversity and compliance with the Housing and Economic Recovery Act of 2008 and its regulations ("HERA"), and thus the diverse ownership of prospective suppliers and/or the diverse composition of the team working for Fannie Mae is a consideration in our supplier selection processes.

Fannie Mae's ProcureOne Sourcing Tool

Suppliers are required to utilize Fannie Mae's sourcing tool to submit their entire response (including the pricing spreadsheet). Supplier must maintain the confidentiality of its sourcing tool login information and password and control their use within its organization.

Supplier is responsible for all inputs it makes using the sourcing tool. Supplier represents and warrants that the information provided to Fannie Mae via the sourcing tool is truthful, accurate and complete. Supplier shall promptly provide any information reasonably requested by Fannie Mae in connection with Supplier's use of the sourcing tool. Supplier shall not interfere with the operation of the sourcing tool.

Without limiting the foregoing, Supplier shall not use the sourcing tool or information contained therein for the purpose of obtaining information about third parties' offerings. Supplier's participation in the sourcing tool and Supplier's profile may be available to other Fannie Mae employees in the procurement function. Supplier shall not make any public announcement relating to this RFx or otherwise publicize the existence or contents of this RFx or the sourcing tool.

For information and instructions on using the sourcing tool, refer to the training materials that are attached within this section.

Disclaimer

The issuance of this RFx is not an offer to contract, nor should it be construed as such. The acceptance of any Proposal(s) does not bind or impose a legal obligation upon Fannie Mae. Fannie Mae reserves the right to accept Proposals from one or more Suppliers. Fannie Mae further reserves the right to enter into discussions and/or negotiations with more than one Supplier and with other Suppliers who did not participate in the RFx process; and Fannie Mae may, at its discretion, award all, part or none of its business (referring to products or services) to one or more Suppliers or other parties. Only the execution of a written agreement between Fannie Mae and Supplier will obligate Fannie Mae in accordance with the terms and conditions contained in such agreement.

Fannie Mae makes no guarantee that the specific products and/or services described herein will be purchased or that quoted volumes will be the same in the future, and provides the information in the RFx only to assist Suppliers in preparing their Proposals. The exchange of information does not imply that any products and/or services will be purchased by Fannie Mae, nor should it in any way encourage a Supplier to expend funds for research, development or other purposes.

Fannie Mae reserves the right to add to, delete, or otherwise modify the requirements for which information is solicited or the terms and conditions set forth in this RFx throughout the sourcing process. Fannie Mae reserves the right to withdraw this RFx, to reject any and all Proposals in whole or in part and to waive formalities at any time, for any reason or no reason. Fannie Mae shall incur no liability whatsoever to prospective Suppliers by reason of any such action.

Information provided by Supplier may be communicated through or stored in systems operated by third parties for Fannie Mae.

Proposal Cost Liability

Fannie Mae shall incur no obligation or liability whatsoever to Supplier or any third party by reason of the issuance of this RFx, or by actions of anyone thereto. By submitting a Proposal, Supplier agrees that any costs incurred by Supplier in responding to this RFx, or in support of activities associated with this RFx (including personnel time, travel related costs and other expenses), are to be borne solely by Supplier.

Sub-Contractor Usage

Prime Suppliers are limited to those parties who received an RFx directly from Fannie Mae. Suppliers may, subject to the terms and conditions of the NDA between Supplier and Fannie Mae, team with one or more subcontractors or other third parties to provide a response to this RFx. Fannie Mae reserves the right to decline any subcontractor at its sole discretion.

Confidential Information

This RFx is copyrighted and is the property of Fannie Mae. The RFx contains Fannie Mae Confidential Information and is subject to the Event Terms binding upon your organization, including but not limited to obligations governing the confidentiality of this RFx. All Confidential Information contained in a Proposal or other materials submitted by a Supplier in response to this RFx shall be treated in confidence by Fannie Mae.

Validity

Supplier's submission of a Proposal shall be deemed to indicate Supplier's willingness (for a period of six (6) months from the date of Fannie Mae's receipt of such Proposal) to enter into an agreement based upon the terms and conditions set forth in such Proposal and any related terms and conditions set forth in the RFx to which Supplier has not taken exception.

Publicity/Use of Fannie Mae Brand

Supplier may not publish, or cause to have published, or make public use of Fannie Mae's name, logos, trademarks, or any information about its relationship with Fannie Mae without the prior written approval of Fannie Mae, which approval may be withdrawn at any time in Fannie Mae's sole discretion.

Compliance with Laws

Supplier must comply with any applicable Federal, state, county and local laws, orders, rules, ordinances, regulations and codes and identify and procure any required permits, certificates, approvals, authorizations and inspections required in connection with its participation in the RFx process and, if a contract is finally awarded, in connection with the performance of its obligations under the contract executed by the parties, including such obligations, if any, as an employer regarding the health, safety and payment of its employees. Without limiting the generality of the foregoing, Supplier must comply with laws, rules, regulations and orders relating to equal employment opportunity, workers' compensation, unemployment compensation and FICA.

Supplier agrees that it will not export or re-export, directly or indirectly, any of the information received from Fannie Mae in this RFx, to any destination to which such export or re-export is restricted or prohibited by U.S. law, without obtaining the prior authorization of the competent governmental authorities as required thereby. Supplier shall not sell, export, transfer, ship, divert, or otherwise dispose of any such information to any person, entity, or country prohibited by the laws of the United States.

Fannie Mae Policies

If a contract is finally awarded, and if the Supplier to whom a contract is awarded will be providing services at a Fannie Mae location or will have access to Fannie Mae systems, Supplier must comply with all on-site rules of behavior, work schedules, and security procedures (including criminal background checks and drug screening), as applicable, and other standards and procedures established from time to time by Fannie Mae for its contractors.