
From: Satriano, Nicholas
Sent: Thursday, June 14, 2012 9:18 AM
To: Griffin Jr., James
Subject: FW: Highlights of Susan McFarland meeting 6/13/12 with Satriano and Galeano

Importance: High

Nicholas Satriano
FHFA – OCA
202.649.3450 office
202.420.9699 mobile

From: Galeano, Andre D.
Sent: Wednesday, June 13, 2012 7:44 PM
To: Satriano, Nicholas
Subject: FW: Highlights of Susan McFarland meeting 6/13/12 with Satriano and Galeano
Importance: High

fyi

From: Galeano, Andre D.
Sent: Wednesday, June 13, 2012 7:44 PM
To: Greenlee, Jon; Creel, Duane V.; Nichols, Nina
Subject: Highlights of Susan McFarland meeting 6/13/12 with Satriano and Galeano
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Here are the Highlights

- As of now, FNM projecting \$5 billion in earnings for the quarter. This includes \$2 billion in derivative losses, which can fluctuate but will increase as rates decline. In addition, it is possible that FNM may take a negative provision of \$1 to \$2 billion in the reserves (this would increase income) due to lower than expected credit losses (this makes getting back to fnm on 180 day charge off all the more urgent). Lower expected losses caused by better than expected HPI, lower sdq, and better execution on REO sales.
- FNM does not expect to make any major assumption/accounting changes for Rep and Warrant issues and on MI claims.
- FNM has a meeting with BOA tomorrow in NY to engage the General Counsel of BOA more closely. Apparently, he has not been engaged previously and ostensibly may agree with some of fnm positions. FNM has booked \$5

billion in receivable from BOA of the \$7 billion in claims. If settlement occurs, then they would use settlement accounting. FNM is hearing a “5” handle on settlement from outside parties working on this. FNM thinks lifetime exposure on RW with BOA is low teens.

- Susan comfortable with draft accounting alignment letter.
- Accounting finance and finance control aspect on human capital – attrition in Greg Fink’s space has lowest turnover in four years and lowest openings. Credit to greg’s leadership and key folks on greg’s team. Had some turnover. Leslie’s group dlibs and drabs – developed a contingency plan- she has companies in place that FNM have used in the past .