



FEDERAL HOUSING FINANCE AGENCY

ADVISORY BULLETIN

AB 2013-02

Clarification of Implementation for Advisory Bulletin 2012-02, Framework for Adversely Classifying Loans, Other Real Estate Owned, and Other Assets and Listing Assets for Special Mention

Background

On April 9, 2012, the Federal Housing Finance Agency (FHFA) issued Advisory Bulletin 2012-02, Framework for Adversely Classifying Loans, Other Real Estate Owned, and Other Assets and Listing Assets for Special Mention. That guidance establishes a standard methodology for classifying loans, other real estate owned, and certain other assets, excluding investment securities, and prescribes the timing of asset charge-offs based on these classifications. Advisory Bulletin 2012-02 was effective upon issuance; however, FHFA has subsequently clarified details of the implementation date.

Guidance

Implementation of the asset classification framework may occur in two phases. The asset classification provisions in Advisory Bulletin 2012-02 should be implemented by January 1, 2014. The charge-off provisions have been extended and should be implemented no later than January 1, 2015.

Advisory Bulletins communicate guidance to FHFA supervision staff and the regulated entities on specific supervisory matters pertaining to the Federal Home Loan Banks, Fannie Mae, and Freddie Mac. This bulletin is effective immediately upon issuance. Contact Kari Walter, Senior Associate Director, Office of Supervision Policy, or Kyle Roberts, Associate Director, Examination Standards Branch, with comments or questions pertaining to this bulletin. The Advisory Bulletin is public information.