

## National Mortgage News

# Fannie Mae sells \$663M in reperforming loans to Chase

Fannie Mae chose a unit of Chase as the winning bidder of a \$663.3 million pool of reperforming mortgage loans that was not awarded with the rest of the transaction two weeks ago.

The approximate weighted average bid submitted by JP Morgan Mortgage Acquisition Corp., measured as a percentage of the unpaid principal balance, was in the low 90s for this pool.

This portfolio consists of 5,460 loans with an average size of \$121,476, a weighted average note rate of 4.49% and a weighted average loan-to-value ratio (as determined by using the broker's price opinion methodology) of 48%.

In June, Fannie Mae marketed its 26th sale of reperforming loans, RPL3-2022, consisting of just under 10,000 loans with a total UPB of \$1.57 billion.

On July 15, two pools from this transaction were awarded. Pool 1 went to PIMCO and is made up of 1,981 loans with an aggregate UPB of \$523.5 million; average loan size of \$264,270; weighted average note rate of 3.56%; and weighted BPO loan-to-value ratio of 54%.

Kah Capital was the winning bidder for Pool 3. This pool had 2,411 loans with an aggregate UPB of \$366.2 million; average loan size of \$151,898; weighted average note rate of 4.11%; and weighted BPO loan-to-value ratio of 53%.

The cover bids, the second highest bids per pool, were 83.14% of UPB (38.39% of BPO) for Pool 1 and 86.55% of UPB (34.53% of BPO) for Pool 3.

At that time, Fannie Mae did not award Pool 2. Citigroup Global Market was the advisor on RPL3-2022. The transactions for Pools 1 and 3 should close on Aug. 19, while the sale of Pool 2 is expected to finalize on Aug. 26.

During [the second quarter](#), Fannie Mae took a \$24 million loss on the sale of reperforming and [nonperforming loans](#).

"Recent market conditions, including higher interest rates in the second quarter and first half of 2022, have reduced the demand for reperforming loans and resulted in lower sales volumes as well as price declines on our held for sale loans," its second quarter 10-Q filing said.