ATTACHMENT A:
STATEMENT OF WORK (SOW)
NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO)
FINANCIAL INSTITUTIONS AND PRIVATE LABEL MORTGAGE-BACKED
SECURITIES CREDIT RESEARCH

1.0 BACKGROUND

The Federal Housing Finance Agency (FHFA) was created by the Housing and Economic Recovery Act of 2008 to regulate and supervise Fannie Mae, Freddie Mac, and the 11 Federal Home Loan Banks. It combined three organizations, the Office of Federal Housing Enterprise Oversight, the Federal Housing Finance Board, and a group from the Department of Housing and Urban Development, which collectively had previously regulated these government-sponsored enterprises. These institutions play critical roles in supporting our nation's housing finance system. Fannie Mae and Freddie Mac guarantee mortgage-backed securities (MBS) and hold mortgages and MBS for investment. The Federal Home Loan Banks lend money to banks and other financial institutions using mortgages as collateral and also invest in mortgage-related assets. The primary function of the FHFA is to ensure the capital adequacy and the financial safety and soundness of Fannie Mae, Freddie Mac (the Enterprises), and the 11 Federal Home Loan Banks (FHLBanks) and the FHLBanks' Office of Finance (together, the Regulated Entities); and to ensure that they discharge their housing finance mission. Additional information on FHFA and its mission can be found at: https://www.fhfa.gov.

2.0 SCOPE

The FHFA requires online access to a commercially available off-the-shelf (COTS) credit research, analysis, and relevant data subscription from a Nationally Recognized Statistical Rating Organization (NRSRO) approved by the United States Securities and Exchange Commission (SEC).

FHFA requires an NRSRO Contractor with a wide coverage of individual counterparties and structured finance securities within each of the six market sectors to provide credit research, analysis, and relevant data services. The seven market sectors are:

A. Banking
B. Security and Brokerage Firms
C. Life and Health Insurance
D. Property and Casualty Insurance
E. Monoline and Mortgage Insurance
F. Private Label Mortgage-Backed Securities

FHFA and the Contractor can bilaterally negotiate to include other plug-in modules, features, and services of the provided subscription as needs arise for ancillary functionalities and/or market sectors.

3.0 OBJECTIVES

FHFA requires credit research, analysis, and relevant data for financial entities in banking and insurance sectors that are relevant to the counterparty risk analysis of the Regulated Entities. These financial entities include: Banking and Securities Firms, Life & Health Insurance Companies, Property & Casualty Insurance Companies, Monoline and Mortgage Insurance, and Private Label Mortgage-Backed Securities.

FHFA requires credit research, analysis and relevant data concerning private label residential mortgage-backed securities (RMBS) and private label commercial mortgage-backed securities (CMBS) issued in the United States. The RMBS market segments of interest to FHFA include: fixed rate mortgage loans, adjustable-rate mortgages (ARMs), hybrid ARMs, interest-only loans, negative amortization loans, first and second lien loans, home equity loans, Home Equity Lines of Credit (HELOCs), prime, Alternative A (alt-A), and subprime loans. The CMBS market segments of interest to FHFA include five major commercial property types: apartments/multifamily, hotel/lodging, industrial, office, and retail.

Credit research, analysis and relevant data are essential to enhance the research conducted by FHFA. FHFA will use this research and data for proprietary analysis. The overall objective of the requirement is to provide information to the FHFA to use in analyzing risks at the Regulated Entities.

4.0 TASKS

The Contractor must be an SEC-approved NRSRO providing the following types of credit research:

4.1 For financial entities in banking, life and health insurance, property and casualty insurance, and monoline and mortgage insurance sectors, the Contractor shall provide:

- banking system and industry review, outlook, and credit analysis,
- insurance industry review, outlook, and credit analysis,
- up-to-date periodic credit and liquidity analysis and outlook for individual banking and insurance companies,
- up-to-date credit analysis of significant events such as: current and potential regulatory and legislative actions, economic and financial market developments, impact of potential economic downturns, disasters, etc.,
- financial, fundamental, liquidity, and risk statistics underlying credit analysis and rating opinions for individual banking and insurance entities,
- up-to-date routine and special topic qualitative and quantitative research on banking and insurance companies,

- current and historical rating agency credit ratings (bank financial strength [without the potential for external support] ratings, bank deposit ratings, bank and insurance company issuer ratings, long- and short-term bank and insurance company debt ratings, bank preferred stock ratings, and insurance financial strength ratings),

- projections of probabilities of rating transitions based on issuer-specific information and forward-looking baseline macroeconomic assumptions,

- current market signals-based or market implied ratings extracted from available stock, debt, and credit default swap market prices/spreads and five-year historical rating trends,

- website and Microsoft excel plug-in with capability to set multiple monitoring portfolios that will generate and send automated periodic updates to FHFA regarding current and potential future developments that will have an adverse impact on the credit condition within the banking system or insurance industry or creditworthiness and liquidity of individual banking and insurance entities.

4.2 For private label residential (RMBS) and commercial (CMBS) mortgage-backed securities, the Contractor shall provide:

- RMBS market segment (fixed rate mortgage loans, ARMs, hybrid ARMs, interest-only loans, negative amortization loans, first and second lien loans, home equity loans, HELOCs, prime, alt-A, and subprime loans) review, outlook, and credit analysis,

- CMBS market segments (apartments/multifamily, hotel/lodging, industrial, office, and retail) review, outlook, and credit analysis,

- up-to-date credit analysis of significant events such as: current and potential regulatory and legislative actions, economic and financial market developments, impact of potential economic downturns, disasters, etc.,

- financial, fundamental, and risk statistics underlying credit analysis and rating opinions for individual (RMBS and CMBS) deals and individual tranches,

- up-to-date routine and special topic qualitative and quantitative research on RMBS and CMBS market segments,

- performance reports including: pool and tranche remaining balance, tranche coupons, principal and interest distributions, pool principal prepayments, credit support, 30-, 60-, pool level 90+ days delinquency foreclosure, bankruptcy, REO and realized loss rates for RMBS and CMBS,

- performance information such as delinquency, default, recovery, prepayments, and loss rates for RMBS and CMBS market segments,

- forecasts of future loss (lifetime loss, pipeline loss, remaining loss) rates for RMBS and CMBS individual market segments,

- pool projected default, loss severity, lifetime, and remaining loss rates,

- tranche current loss, principal recovery, expected loss severity, and expected loss rates,

- credit ratings for individual RMBS and CMBS CUSIPS,

- capability to set multiple monitoring portfolios on vendor's website and Microsoft Excel plug-in that will generate and send automated periodic updates to FHFA regarding current and potential future developments that will have an adverse impact on the credit condition within the RMBS and CMBS market segment, and creditworthiness of individual deals and tranches,

4.3 Additional Subscription Requirements, Services, and Information

The Contractor's credit research subscription, at a minimum, must include:

- Enterprise-wide (i.e., unlimited authorized users across FHFA) license access.

- Authorized end users may simultaneously use the subscription and be from multiple divisions across FHFA and may access and use the product from their official duty stations or remotely via FHFA's virtual private network (VPN) when such end users are conducting business for the benefit of FHFA.

- Notwithstanding any language to the contrary in the Contractor's license agreement, FHFA is permitted to use the Services for official Government purposes including, but not limited to, reports, presentations, graphs, public releases, other publications, and examination of the Regulated Entities. Where appropriate, the Contractor will be cited as the data provider for such reports, presentations, graphs, public releases, and other publications, in a commercially reasonable manner.

- Information technology (IT) help-desk support services, through email and/or telephone, at no additional cost beyond the cost of the product license. The support should be comparable to the support it provides to other customers. Help-desk support services include, but are not limited to, troubleshooting errors, login/access issues, questions related to the product (i.e., IT/technical issues), etc.

- Subject matter expert/technical support services, through email and/or telephone, at no additional cost beyond the cost of the product license. The support should be comparable to the support it provides to

other customers. Subject matter expert/technical support services include, but are not limited to, answering data-specific questions, data validation issues, data updates, etc.

- Initial set-up and configuration of the subscription services and search capabilities, if any, on an enterprise-basis (i.e., any overall FHFA-specific account set up).

- Training on the subscription for new users through, but not limited to, electronic user manuals and interactive training such as conference call, remote slideshow presentations, web-based interactive meeting/test environment webinars, etc. at no additional cost beyond the cost of the product license. The training should be comparable to the support it provides for other customers.

5.0 DELIVERABLES

- The subscription shall be delivered to FHFA via online service accessible to each authorized FHFA users' computer and must be compatible with recent versions of Windows Internet Explorer, Google Chrome, and/or other major web browsers.

- The Contractor shall provide regular updates to the subscription to include, but not limited to, information, analysis, reports, and data, etc.

- Training and orientation for FHFA staff must be provided in the ramp-up period (contract initiation and set up) as well as on an on-going basis during all contract periods in accordance with Section 4.3.

- The Contractor shall provide user IDs and passwords to all authorized users within two (2) business days after the purchase order effective date.

- Upon FHFA's request, the Contractor shall provide user IDs and passwords to newly authorized users within one (1) business day after a request is made by FHFA.

6.0 LICENSE AGREEMENT REQUIREMENTS

The license agreement for the subscription product, at a minimum, must include and/or conform to the following requirements:

- At the termination or expiration of the license agreement, FHFA shall have the right to maintain and use indefinitely print or electronic copies of its reports, presentations, or other content created in accordance with the license agreement;

- Authorized end users may simultaneously use the product and be from multiple divisions across FHFA, and may access and use the product from their official duty stations or remotely via FHFA's virtual private network (VPN) when such end users are conducting business for the benefit of FHFA;

- FHFA does not permit compliance audits; however, the license agreement may require that FHFA provides written assurance of its compliance or other alternative agreed to in writing by the Contracting Officer;

- The license agreement shall not include an indemnification of the Contractor by the FHFA;

- The license agreement shall be governed by, and construed in accordance with, the federal laws of the United States of America;

- The Contractor shall represent and warrant that it makes commercially reasonable efforts to ensure that the software, data, or product as applicable is free of any viruses, worms, Trojan horses, malware, and/or other malicious code;

- The license agreement shall not include terms that authorize assignment of the purchase order except in accordance with Federal Acquisition Regulation Subpart 42.12;

- Contractor shall acknowledge and agree that if there is a conflict between the terms and conditions of the license agreement and those of the purchase order, the purchase order governs;

- The license agreement shall permit FHFA to use the data product for official Government purposes, including but not limited to reports, presentations, graphs, public releases, other publications, and examination of the Regulated Entities;

- The license agreement may acknowledge that FHFA is a federal government agency and is exempt, by law, from the payment and collection of sales taxes; and

7.0 SECURITY

Primarily, the Contractor will not work at FHFA Headquarters. The Contractor may visit FHFA Headquarters for training and related sessions on a temporary basis. In these events, the FHFA Contracting Officer's Representative (COR) will coordinate visitor access and escorting duties.

8.0 INFORMATION TECHNOLOGY ACCESSIBILITY (SECTION 508)

Section 508 of the Rehabilitation Act, as amended by the Workforce Investment Act of 1998 (P.L. 105-220) requires that when Federal agencies develop, procure, maintain, or use information and communication technology (ICT), it shall be accessible to people with disabilities. Federal employees and members of the public who have disabilities must have access to, and use of, information and data that is comparable to people without disabilities.

Products, platforms and services delivered as part of this work statement that are ICT, or contain ICT, must

conform to the Revised 508 Standards, which are located at 36 C.F.R. § 1194.1 & Apps. A, C & D, and available at https://www.access-board.gov/guidelines-and-standards/communications-and- it/about-the-ict-refresh/final-rule/text-of-the-standards-and-guidelines

E102 / 702.10 – Web Content Accessibility Guidelines (WCAG) success criteria level A & AA are incorporated as a requirement. The referenced WCAG criteria is available at http://www.w3.org/TR/WCAG20/

Applicable Functional Performance Criteria

All functional performance criteria apply when using an alternative design or technology that achieves substantially equivalent or greater accessibility and usability by individuals with disabilities than would be provided by conformance to one or more of the requirements in Chapters 4-6 of the Revised 508 Standards, or when Chapters 4-6 do not address one or more functions of ICT.

Applicable Requirements for Software and Web Products

Web deliverables/tools and access shall conform to the following standards:

- E207 – WCAG Level A & AA Success Criteria
- E302 – Functional Performance Criteria
- E502 – Interoperability with Assistive Technology
- E503 – Application

Electronic Documents and/or Support Services

All services and deliverables such as reports, training materials, support documentation and plans, shall conform to the following standards:

- E205 – WCAG Level A & AA Success Criteria
- E302 – Functional Performance Criteria
- E602 – Support Documentation
- E603 – Support Services

9.0 PERIOD OF PERFORMANCE

The period of performance will be for a twelve (12) month base period and four (4) one-year option periods. The base year of performance will begin 30 September 2026; if all options are exercised, the ultimate period of performance end date would likely be 29 September 2031.

10.0 GOVERNMENT-FURNISHED PROPERTY

FHFA will not furnish government property for the Contractor to fulfill the requirements of this purchase order. However, if the Contractor visits FHFA Headquarters (400 7th Street, SW, Washington, D.C. 20219) for training and related purposes, FHFA may furnish temporary access to desks, chairs, office space, internet access, and other common office furnishings.