



3900 Wisconsin Avenue, NW
Washington, DC 20016-2892

October 28, 2011

Attorney General Michael Delaney
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301

Re: Fannie Mae
Notification of Security Breach

Dear Attorney General Delaney:

We are writing to inform you of an unauthorized acquisition of sensitive personal information that may involve data obtained from a Fannie Mae database. Fannie Mae is a government sponsored enterprise subject to regulation and oversight by the Federal Housing Finance Agency (FHFA). FHFA is also Fannie Mae's conservator. Fannie Mae is subject to FHFA's Safety and Soundness Standards for Information which can be found at 12 C.F.R. Part 1720, Appendix C (2011).

Nature of the Security Incident and Investigation. In mid-October 2011, we received information suggesting that a Fannie Mae employee may have been attempting to sell handwritten copies of financial information regarding a group of approximately 1,100 individuals, including name, address, social security number, date of birth and credit scores.

Upon receiving this information, we immediately reported the incident to federal law enforcement and are cooperating fully with them. The employee's access to Fannie Mae systems was immediately terminated, and the employee also has been terminated.

At this point in the investigation we are not certain whether the handwritten information came from Fannie Mae since some of the information discovered is not typically maintained in Fannie Mae systems, such as driver's license number and financial account information. Similarly, we cannot be certain of the precise timeframe for this activity, but we believe it could have occurred anytime after August 2008. Based on information we presently have available, we do not believe that this incident was the result of an electronic breach of any Fannie Mae computer system.

Number of Residents Affected. The incident affected approximately 7 residents of your state. Fannie Mae is sending notices to affected individuals of the incident on or about October 31, 2011, via United Parcel Service, 2nd day delivery. Fannie Mae is offering free credit monitoring to all individuals about whom it received information, including those who do not have a

relationship with Fannie Mae, but whose information was discovered in the course of our investigation. A template of the notification letter is enclosed. A call center dedicated to handling calls from affected individuals will begin operation on November 1, 2011.

Steps Taken or Planned Relating to the Incident. In addition to the measures discussed above, Fannie Mae has enhanced its physical and personnel security measures in direct response to this incident (including enhanced monitoring of employee activities). In the coming weeks, we will be adding additional personnel security procedures as well as reviewing other security measures to see where we may take additional steps to protect personal information.

Fannie Mae, as federally chartered entity regulated by FHFA, reserves all of its rights, including those pursuant to N.H. Rev. Stat § 359-C:20 (V).

Please let us and FHFA know if you have any questions or if we may be of further assistance.

Very truly yours,



Evan Stolove
Vice President and Deputy General Counsel

Enclosures

cc: Mark Laponsky, Esq.
Federal Housing Finance Agency



FannieMae

300 West Main Avenue 19th
Washington DC 20014-3892

October 31, 2011

Name
Street Address
City, State, Zip Code

Dear [Name],

We are writing to inform you of a security incident involving your personal information that has recently come to our attention, and the actions you may want to take as a result of this incident.

Fannie Mae buys mortgages originated by mortgage lenders across the nation; as a result, it has information in its systems on individuals whose mortgage loan (past or present) is or was owned or securitized by Fannie Mae.

In mid-October 2011, we received information suggesting that a Fannie Mae employee may have been attempting to sell handwritten copies of borrower information regarding a relatively small group of individuals, including name, address, social security number, date of birth and credit scores. You are receiving this notice because your name and information were included on that handwritten list.

Upon receiving this information, we immediately reported the incident to federal law enforcement and are cooperating fully with them. At this point in the investigation we are not certain whether that information originally came from Fannie Mae since some of the information discovered is not typically maintained in Fannie Mae systems, such as driver's license number and financial account information. Nor can we be certain of the precise timeframe for this activity, but we believe it could have occurred anytime after August 2008. This incident was not the result of an electronic breach of any Fannie Mae computer system.

Because of the nature of this incident you should be vigilant to any signs of fraud or identity theft. We recommend that you closely review your banking account and credit card statements, as well as credit reports, and promptly report any suspicious activity or suspected identity theft to law enforcement including local police, your state's Attorney General, and/or the U.S. Federal Trade Commission (FTC).

Free Credit Monitoring. We have arranged for you, at your option, to enroll in credit monitoring, at no cost to you, for 12 months from the date that you enroll. We strongly recommend you consider participating in this program. Once you enroll, you will receive communications detailing any key changes to your credit reports from all three credit bureaus. To enroll, please visit the web site listed below and enter the promotion code provided. You will be instructed on how to initiate your online membership. If you do not have Internet access, please contact the toll-free help line at 1-800-573-3471.

Web site for enrollment: www.myservices.equifax.com/tri

Your Promotion Code: [_____]

Additional Protection and Information. Please review the attachment to this letter, which provides information on additional steps you can take to protect yourself against identity theft. Further guidance on how to protect yourself against identify theft is also available from the FTC, Consumer Response Center, 600 Pennsylvania Ave. NW, Washington D.C. 20580; Phone: 1-877-IDTHEFT (438-4338), web site: www.ftc.gov/IDTheft.

Help Line for Questions. If you have any questions concerning this incident, we encourage you to call the toll-free number we have established to answer your questions, 1-800-573-3471, between the hours of 8:00 a.m. and 12:00 a.m. Eastern time, 7 days a week. This call center is dedicated to handling your questions regarding this incident and will be available to you beginning November 1, 2011 thru December 30, 2011. *Please note:* The staff at this call center cannot answer questions about your loan. For loan related questions, you should contact your servicer or visit our web site, www.FannieMae.com.

Fannie Mae takes the protection of your personal information very seriously. We have enhanced our physical and personnel security measures in direct response to this incident (including enhanced monitoring of employee activities). In the coming weeks we will be adding additional personnel security procedures as well as reviewing other security measures to see where we may take additional steps to protect personal information.

We sincerely regret any inconvenience caused by this incident,

Yours truly,

Nancy Jardini
Senior Vice President
Chief Compliance and Ethics Officer

Additional Information

There are a number of other steps you should consider to guard against identity theft.

Reviewing Your Account Statements and Credit Report. You should remain vigilant by regularly reviewing statements for your financial accounts, and obtaining your credit report from one or more of the national credit reporting companies. Report any fraudulent transactions to the creditor or credit reporting company from which you received the statement or report. Even if you do not find any suspicious activity on your initial credit reports, it is recommended that you check your credit reports periodically. This can help you spot problems and address them quickly.

You are also entitled under U.S. law to one free credit report annually from each of the three major credit bureaus. You can obtain a free copy of your credit report once every 12 months by visiting www.annualcreditreport.com, calling toll-free 877-322-8228, or by completing an Annual Credit Report Request Form and mailing it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281 (you can print a copy of the request form at the foregoing web site as well). You can also purchase a copy of your credit report by contacting one of the three national credit reporting companies listed below.

Fraud Alert. In addition, you may want to consider the use of a fraud alert. Many industry experts recommend that you place a fraud alert on your credit file to help protect your credit information. Fraud alerts notify potential creditors to verify your identification before extending credit in your name in case someone is using your information without your consent.

You may initiate a fraud alert for all three major bureaus by contacting any one of the credit reporting companies listed below. As soon as one credit bureau confirms your fraud alert, the others are notified to place fraud alerts. All three credit reports will be sent to you, free of charge, for your review. However, you should be aware that, while a fraud alert may help protect your credit information, it may delay legitimate requests for credit approval. Further information is available from the credit bureaus.

Security Freeze. You may also be interested in further protection from fraud and identity theft through protective measures such as a security freeze on your credit report. A security freeze prohibits a credit reporting agency from releasing any information from a consumer's credit report without written authorization. However, please be aware that placing a security freeze on your credit report may delay, interfere with, or prevent the timely approval of any requests you make for new loans, credit, mortgages, employment, housing or other services.

For Massachusetts residents: If you have been a victim of identity theft, and you provide the credit reporting agency with a valid police report, it cannot charge you to place, lift or remove a security freeze. In all other cases, a credit reporting agency may charge you up to \$5.00 each to place, temporarily lift, or permanently remove a security freeze.

For residents of all other States: There may be fees for placing, lifting and/or removing a security freeze. To determine the fees applicable to residents of your State, please visit https://help.equifax.com/app/answers/detail/a_id/75/search/1 to determine the cost.

To place a security freeze on your credit report, you must send a written request to **each** of the three major consumer reporting agencies: Equifax (www.equifax.com); Experian

(www.experian.com); and TransUnion (www.transunion.com) by regular, certified or overnight mail at the addresses below:

<p>Equifax (800) 685-1111 Credit Reports (800) 525-6285 Fraud Alert (800) 525-6285 Security Freeze www.equifax.com</p> <p><u>Security Freeze:</u> Equifax Security Freeze P.O. Box 105788 Atlanta, GA 30348</p> <p><u>All other Inquiries:</u> P.O. Box 740250 Atlanta, GA 30374-0241</p>	<p>Experian (888) 397-3742 Credit Reports (888) 397-3742 Fraud Alert (888) 397-3742 Security Freeze www.experian.com</p> <p><u>Security Freeze:</u> Experian Security Freeze P.O. Box 9554 Allen, TX 75013</p> <p><u>All other Inquiries:</u> P.O. Box 1017 Allen, TX 75013</p>	<p>TransUnion (800) 888-4213 Credit Reports (800) 680-7289 Fraud Alert (800) 909-8872 Security Freeze www.transunion.com</p> <p><u>Security Freeze:</u> Trans Union Security Freeze FVAD P.O. Box 6790 Fullerton, CA 92834</p> <p><u>All other Inquiries:</u> P.O. Box 6790 Fullerton, CA 92834-6790</p>
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In order to request a security freeze, you will need to provide the following information: (1) your full name (including middle initial as well as Jr., Sr., II, III, etc.); (2) social security number; (3) date of birth; (4) if you have moved in the past five (5) years, the addresses where you have lived over the prior five years; (5) proof of current address such as a current utility bill or telephone bill; (6) a legible photocopy of a government issued identification card (state driver's license or ID card, military identification, etc.); (7) if you are a victim of identity theft, a copy of either the police report, investigative report, or complaint to a law enforcement agency concerning identity theft; and (8) if you are not a victim of identity theft, payment by check, money order, or credit card (Visa, MasterCard, American Express or Discover only). Do not send cash through the mail.

The credit reporting agencies have three (3) business days after receiving your request to place a security freeze on your credit report. The credit bureaus must also send written confirmation to you within five (5) business days and provide you with a unique personal identification number (PIN) or password, or both, that can be used by you to authorize the removal or lifting of the security freeze.

To lift the security freeze in order to allow a specific entity or individual access to your credit report, you must call or send a written request to the credit reporting agencies by mail and include proper identification (name, address, and social security number) **and** the PIN number or password provided to you when you placed the security freeze as well as the identities of those entities or individuals you would like to receive your credit report or the specific period of time you want the credit report available. The credit reporting agencies have three (3) business days after receiving your request to lift the security freeze for those identified entities or for the specified period of time. To remove the security freeze, you must send a written request to each of the three credit bureaus by mail and include proper identification (name, address, and social security number) **and** the PIN number or password provided to you when you placed the security freeze. The credit bureaus have three (3) business days after receiving your request to remove the security freeze.

Law Enforcement. If you are, or suspect that you are, the victim of identity theft, you should contact your local police department to file a report. You may also wish to contact the Office of the Inspector General for the Federal Housing Finance Agency at 1625 Eye Street, NW, Washington, DC 20006-4001, 1-800-793-7724 or via the web at www.oighotline@fhfa.gov.

Other State Specific Notices

For residents of Iowa and Oregon

State law advises you to report any suspected identity theft to local police or other law enforcement officials, your State’s Attorney General as well as the Federal Trade Commission.

For residents of Maryland and North Carolina

You can obtain information from the Maryland or North Carolina Office of the Attorney General and the Federal Trade Commission about steps you can take to avoid identity theft.

<p>Maryland Office of the Attorney General Consumer Protection Division 200 St. Paul Place Baltimore, MD 21202 1-888-743-0023 www.oag.state.md.us</p>	<p>North Carolina Office of the Attorney General Consumer Protection Division 9001 Mail Service Center Raleigh, NC 27699-9001 1-877-566-7226 www.ncdoj.com</p>	<p>Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue, NW Washington, DC 20580 1-877-IDTHEFT (438-4338) www.ftc.gov/bcp/edu/microsites/idtheft</p>
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For Residents of Massachusetts

Under Massachusetts law, you have the right to obtain any police report filed in regard to this incident. If you are the victim of identity theft, you also have the right to file a police report and obtain a copy of it.

Equifax Credit Watch™ Gold with 3-in-1 Monitoring

Fannie Mae has arranged for you, at your option, to enroll in credit monitoring, at no cost to you, for 12 months from the date that you enroll. We strongly recommend you consider participating in this program. Once you enroll, you will receive communications detailing any key changes to your credit reports from all three credit bureaus.

Equifax Credit Watch will provide you with an “early warning system” to changes to your credit file and help you to understand the content of your credit file at the three major credit reporting agencies. The key features and benefits are listed below.

Equifax Credit Watch provides you with the following benefits:

- Comprehensive credit file monitoring and automated alerts of key changes to your Equifax, Experian, and TransUnion credit reports
- Wireless alerts and customizable alerts available
- One 3-in-1 Credit Report and access to your Equifax Credit Report™
- Up to \$1 million in identity theft insurance with \$0 deductible, at no additional cost to you †
- 24 by 7 live agent Customer Service to assist you in understanding the content of your Equifax credit information, to provide personalized identity theft victim assistance, and to assist in initiating an investigation of inaccurate information
- 90 day Fraud Alert placement with automatic renewal functionality (available online only)

How to Enroll

To sign up online for **online delivery** go to www.myservices.equifax.com/tri

1. **Register**: Complete the form with your contact information (name, gender, address, date of birth, Social Security Number and telephone number) and click the “Continue” button. Complete the form with your email address, create a User Name and Password, enter the Promotion Code that is at the top of the first page of this letter in the “Promotion Code” box. The Promotion Code eliminates the need to provide a credit card number for payment. Then click the “Accept Terms & Continue” button. All of the information that you enter is in a secured environment.
2. **Verify ID**: The system will then ask you to answer up to four security questions. The questions and answers support the Equifax Identity Verification Process. Please answer the questions and then click the “Submit Order” button.
3. **Order Confirmation**: This page shows you your order. Please click the “View my Product” button to access the product features.

To sign up for **US Mail delivery**, dial 1-866-937-8432 for access to the Equifax Credit Watch automated enrollment process. Note that all credit reports and alerts will be sent to you via US Mail only.

1. **Promotion Code**: You will be asked to enter your promotion code as provided at the top of your letter.
2. **Customer Information**: You will be asked to enter your home telephone number, home address, name, date of birth and Social Security Number.
3. **Permissible Purpose**: You will be asked to provide Equifax with your permission to access your credit file and to monitor your file. Without your agreement, Equifax cannot process your enrollment.
4. **Order Confirmation**: Equifax will provide a confirmation number with an explanation that you will receive your Fulfillment Kit via the US Mail (when Equifax is able to verify your

identity) or a Customer Care letter with further instructions (if your identity cannot be verified using the information provided). Please allow up to 10 business days to receive this information.

† Identity theft insurance underwritten by subsidiaries or affiliates of Chartis Inc. The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions. This product is not intended for minors (under 18 years of age).

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