

Freddie Mac Servicer Success Scorecard Changes for 2017

Reference Guide

November 2016

Notice

The information in this publication is intended to provide general guidance to Freddie Mac Servicers. The information is offered as an aid in - not a substitute for - complying with the requirements set forth in the *Single-Family Seller/Servicer Guide* (“the Guide”) as amended. Each Freddie Mac-approved Servicer must comply with all the provisions of the Guide, and of all other Purchase Documents, as that term is defined in the Guide. This publication does not constitute a part of the Guide. In the event of an inconsistency between any information in this publication and the Guide, the information in the Guide shall supersede this publication.

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Overview

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Introduction

The Freddie Mac Servicer Success Scorecard (Scorecard) has been redesigned for 2017 with new metrics, revised metrics and a more user-friendly interface that provides quick and easy access to your default management and investor reporting performance results.

In *Single-Family Seller/Servicer Guide* (Guide) Bulletin 2016-17, we announced several changes to the Scorecard, including a preview period that will allow you to view your performance against the new and revised metrics. This reference guide highlights the changes to your Scorecard that will be available during your preview beginning on November 30, 2016.

After reviewing this reference guide, you will:

- Understand how to access your 2017 Scorecard preview
- Have an understanding of the new and revised metrics
- Be familiar with the redesigned format of your 2017 Scorecard
- Have an understanding of the revised ranking methodology

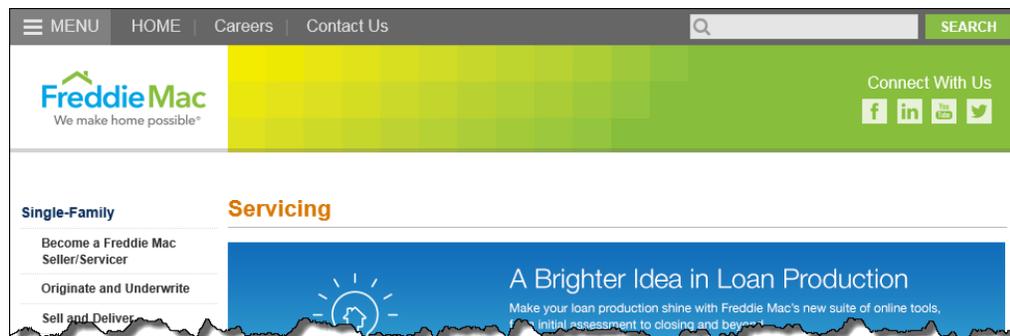
When are the Changes Effective?

These changes are effective with your January 2017 performance, which will be available to you on your Scorecard on February 28, 2017. Each month thereafter, your Scorecard will be available to you on the last business day of the month for the prior month's performance (e.g., the Scorecard available to you on March 31, 2017, reflects your performance for February 2017).

How to Access Your 2017 Scorecard Preview

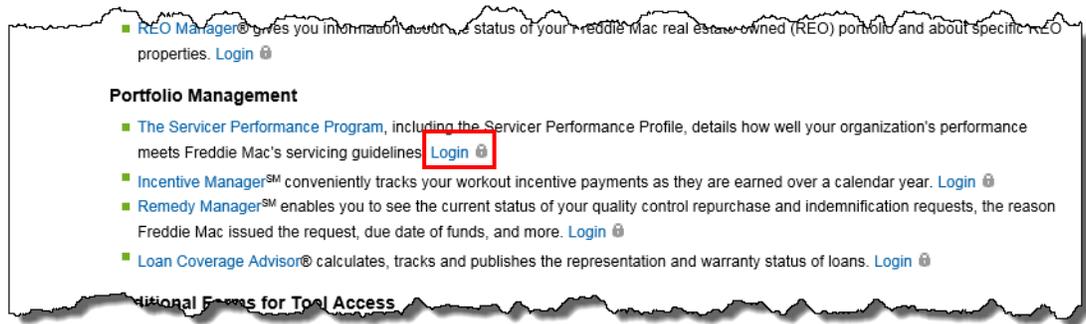
To access the preview of your 2017 Scorecard, perform the following steps:

1. Access the Servicing page at the following URL on FreddieMac.com:
<http://www.freddiemac.com/singlefamily/service/>.



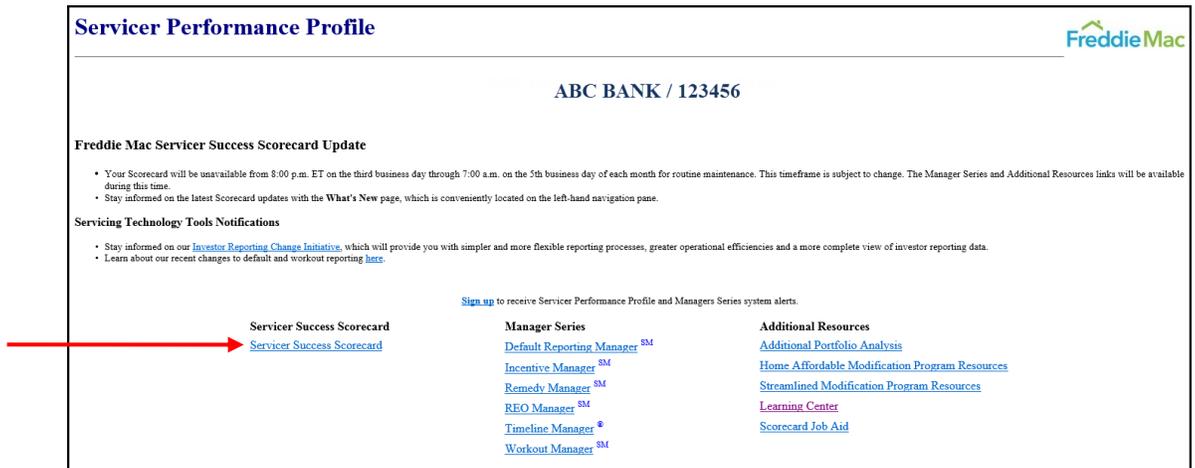
Overview

2. Click **Login** under The Servicer Performance Program and enter your user ID and password when prompted.

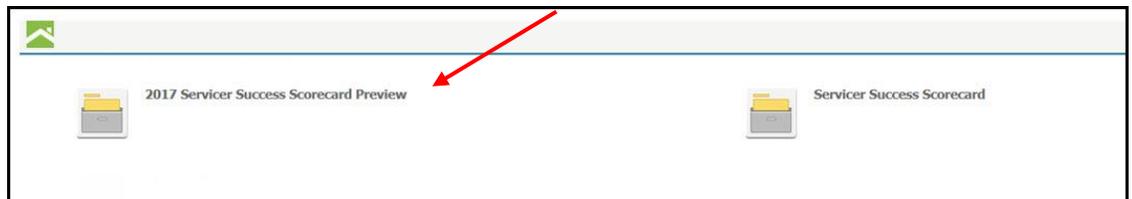


The Servicer Performance Profile page displays.

3. Click the **Servicer Success Scorecard** link.



4. Click **2017 Servicer Success Scorecard Preview**.



Your 2017 Scorecard preview will display.

Overview

We Want to Hear from You!

Tell us what you think! In just one or two words, let us know what your first impression is of the 2017 Scorecard after you've given it a test drive.

To do this, access the Menu and click **Feedback**.



The following displays:



1. Describe your first impression in one or two words in the Feedback field.
2. Provide your email address, and click **Submit**.

Overview

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Changes to the Performance Metrics

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Introduction

There are several changes to the Default Management and Investor Reporting metrics on your Freddie Mac Servicer Success Scorecard (Scorecard) for 2017. This chapter outlines the changes to the metrics and provides detailed descriptions, calculations, and examples of each of the metrics.

Performance Period

We have revised the performance period for metrics that previously had a rolling three-month performance period to a one-month performance period.

Changes to the Default Management Metrics

We have made the following changes to the Default Management metrics:

- Removed the following nine metrics:
 - Transition to 60+
 - 60 to Worse
 - 90+ to Worse
 - Average Age Past Foreclosure Sale Standard
 - Beyond Timeline Resolution Rate
 - Initial Delinquency Reporting
 - Final Delinquency Reporting
 - Accuracy of DDLPI Reporting
 - Timely REO Notifications
- Added the Transition from 30 to 60+ and Total Timeline Trend metrics
- Revised the calculations for the existing metrics
- Made all Default Management (including supplemental) metric numerators subsets of their denominators, except for Total Timeline Trend
- Revised the weights so that the metrics are equally weighted

Changes to the Performance Metrics

The following table provides a comparison between the 2016 performance metrics and the 2017 performance metrics for Default Management.

2016 Metrics	2017 Metrics
	Transition from 30 to 60+ (New)
Transition to 60+	Removed
60 to Worse	Removed
90+ to Worse	Removed
Cure Efficiency	Cure Efficiency
Retention Efficiency	Retention Efficiency
Liquidation Efficiency	Liquidation Efficiency
12-Month Performance	6-Month Modification Performance (Revised)
	Total Timeline Trend (New)
Average Age Past Foreclosure Sale Standard	Removed
Beyond Timeline Resolution Rate	Removed
Initial Delinquency Reporting	Removed
Final Delinquency Reporting	Removed
Accuracy of DDLPI Reporting	Removed
Timely REO Notifications	Removed

Changes to the Performance Metrics

Changes to the Investor Reporting Metrics

We have made the following changes to the Investor Reporting metrics:

- Removed the following five metrics:
 - Percent of Hard Rejects Over 90 Days Old
 - Percent of Soft Rejects Over 90 Days Old
 - Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio
 - Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio
 - Percent of Ending Hard Rejects to Total Loans in Portfolio
- Added the Aged Edits Past 30+ Days metric
- Revised the Cash Shortage metric
- Revised the calculation for the Average Number of Days to Report Payoffs metrics

The following table provides a comparison between the 2016 performance metrics and the 2017 performance metrics for Investor Reporting.

2016 Metrics	2017 Metrics
Shortage Percentage	Cash Shortage (Revised)
Percent of Hard Rejects Over 90 Days Old	Removed
Percent of Soft Rejects Over 90 Days Old	Removed
Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio	Removed
Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio	Removed
Percent of Ending Hard Rejects to Total Loans in Portfolio	Removed
Average Number of Days to Report Payoffs	Average Number of Days to Report Payoffs
	Aged Edits Past 30+ Days (New)

Changes to the Performance Metrics

2017 Default Management Metrics and Weights

The following table identifies the Default Management metrics for the 2017 Scorecard.

Metrics	Weights
1. Transition from 30 to 60+	Default management metrics required to determine an overall rank in the Default Management category, and for which there was sufficient data to calculate actual performance and the synthetic portfolio’s performance, are equally weighted. For additional information, refer to Chapter 5.
2. Cure Efficiency	
3. Retention Efficiency	
4. Liquidation Efficiency	
5. 6-Month Modification Performance ..	
6. Total Timeline Trend	

You must have a minimum of one loan in the denominator to calculate performance for a metric. If performance cannot be calculated for a particular metric, that metric will not receive a weight.

Changes to the Performance Metrics

Transition from 30 to 60+

The Transition from 30 to 60+ metric measures the percentage of 30-day delinquent loans in the previous month that transitioned to a 60+ day (not in foreclosure) delinquency status in the current month. A lower value indicates better performance.

Performance Calculation

The Transition from 30 to 60+ metric is calculated as follows:

$$\frac{\text{Number of 30-day delinquent (D30) loans in the previous month that rolled to a 60+ days delinquent (D60+) status (not in foreclosure) in the current month}}{\text{Number of D30 loans in the previous month}} = \text{Transition from 30 to 60+}$$

Example

$$\frac{\text{Number of D30 loans in May that transitioned to a D60+ status (not in foreclosure) in June} = 500}{\text{Number of D30 loans in May} = 3,000} = 16.6667 \text{ percent}$$

Exclusions

The following loans are excluded from this metric:

- Trial Period Plans less than four months old (for non-bankruptcy loans)
- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Probate
- Service Members Civil Relief Act (SCRA)
- Disaster forbearance
- Litigation
- Condemned properties
- Trial Period Plans less than 12 months old (for bankruptcy loans)
- Transfers of Servicing (Global Family change between numerator and denominator)
- Government seizures
- Unemployment forbearance
- Appeal of Loan Modification
- Bankruptcy

Changes to the Performance Metrics

Cure Efficiency

The Cure Efficiency metric reflects, as a percentage, the number of 60+ day delinquent loans (including loans in foreclosure) in the previous month that cured or paid off in the current month. Full reinstatements, closed loan modifications, successful repayment plans, payoffs (prepaids and matured loans), and repurchases will be considered in the numerator. A higher value indicates better performance.

Performance Calculation

The Cure Efficiency metric is calculated as follows:

$$\frac{\text{Number of D60+ loans (including loans in foreclosure) that cure or pay off in the current month}}{\text{Number of D60+ loans (including loans in foreclosure) in the previous month}} = \text{Cure Efficiency}$$

Example

$$\frac{\text{Number of D60+ loans (including loans in foreclosure) that cured or paid off in June} = \mathbf{1,500}}{\text{Number of D60+ loans (including loans in foreclosure) in May} = \mathbf{15,255}} = \mathbf{9.8328 \text{ percent}}$$

Exclusions

The following loans are excluded from this metric:

- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Transfers of Servicing (Global Family change between numerator and denominator)

Changes to the Performance Metrics

Retention Efficiency

The Retention Efficiency metric reflects, as a percentage, the number of Trial Period Plans that were initiated in the current month for loans that were D60+ (including loans in foreclosure) in the prior month. A higher value indicates better performance.

Performance Calculation

The Retention Efficiency metric is calculated as follows:

$$\frac{\text{Number of D60+ loans (including loans in foreclosure) that initiated a Trial Period Plan in the current month}}{\text{Number of D60+ loans (including loans in foreclosure) in the previous month}} = \text{Retention Efficiency}$$

Example

$$\frac{\text{Number of D60+ loans (including loans in foreclosure) that initiated a Trial Period Plan in April} = \mathbf{6,500}}{\text{Number of D60+ loans (including loans in foreclosure) in March} = \mathbf{12,100}} = \mathbf{53.7190 \text{ percent}}$$

Exclusions

The following loans are excluded from this metric:

- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Transfers of Servicing (Global Family change between numerator and denominator)
- Trial Period Plans less than four months old (for non-bankruptcy loans)
- Trial Period Plans less than 12 months old (for bankruptcy loans)

Changes to the Performance Metrics

Liquidation Efficiency

The Liquidation Efficiency metrics reflects, as a percentage, the number of 90+ days delinquent loans (including loans in foreclosure) in the previous month that resulted in a liquidation (i.e., settled Freddie Mac Standard Short Sale, notified Freddie Mac Standard Deed-in-Lieu of Foreclosure, or a notified foreclosure sale (REO or third-party foreclosure sale)) in the current month. A higher value indicates better performance.

Performance Calculation

The Liquidation Efficiency metric is calculated as follows:

$$\frac{\text{Number of 90+ days delinquent (D90+) loans (including loans in foreclosure) that resulted in a liquidation (i.e., settled Standard Short Sale, notified Standard Deed-in-Lieu of Foreclosure, or a notified foreclosure sale (REO or third-party foreclosure sale)) in the current month}}{\text{Number of D90+ loans (including loans in foreclosure) in the previous month}} = \text{Liquidation Efficiency}$$

Example

$$\frac{\text{Number of D90+ loans (including loans in foreclosure) that resulted in a liquidation (i.e., settled Standard Short Sale, notified Standard Deed-in-Lieu of Foreclosure, or a notified foreclosure sale (REO or third-party foreclosure sale)) in November} = \mathbf{4,033}}{\text{Number of D90+ loans (including loans in foreclosure) in October} = \mathbf{4,170}} = \mathbf{96.7146 \text{ percent}}$$

Exclusions

The following loans are excluded from this metric:

- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Transfers of Servicing (Global Family change between numerator and denominator)
- Trial Period Plans less than four months old (for non-bankruptcy loans)
- Trial Period Plans less than 12 months old (for bankruptcy loans)

Changes to the Performance Metrics

6-Month Modification Performance

The 6-Month Modification Performance metric measures the percentage of closed loan modifications that are current, or have paid off (prepayment or maturity) within the six-month period after the loan modification effective date. A higher value indicates better performance.

Performance Calculation

The 6-Month Modification Performance metric is calculated as follows:

$$\frac{\text{Number of closed modifications that are current six months after the modification effective date, or paid off (prepayment or maturity) within six months of the modification effective date}}{\text{Number of modifications with a modification effective date six months prior to the current month}} = \text{6-Month Modification Performance}$$

Example

$$\frac{\text{Number of modifications that closed in April, that are current in October or have paid off (prepayment or maturity) between April and October} = \mathbf{1,615}}{\text{Number of modifications that closed in April} = \mathbf{2,000}} = \mathbf{80.7500 \text{ percent}}$$

Exclusions

The following loans are excluded from this metric:

- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Transfers of Servicing (Global Family change between numerator and denominator)

Changes to the Performance Metrics

Total Timeline Trend

The Total Timeline Trend metric measures how effectively you manage your allowable state foreclosure timelines from month to month. Specifically, it reflects, as a percentage, the number of days your organization exceeded the allowable state foreclosure timeline (i.e., the state foreclosure timeline plus allowable delays) in the current month compared to the number of days your organization exceeded the allowable state foreclosure timelines in the prior month. A lower value indicates better performance.

Performance Calculation

The Total Timeline Trend metric is calculated as follows:

$$\frac{\text{Total number of delinquent days beyond the allowable state foreclosure timelines in the current month}}{\text{Total number of delinquent days beyond the allowable state foreclosure timelines in the previous month}} = \text{Total Timeline Trend}$$

Example

$$\frac{\text{Total number of delinquent days beyond the allowable state foreclosure timelines in August} = \mathbf{150}}{\text{Total number of delinquent days beyond the allowable state foreclosure timelines in July} = \mathbf{250}} = \mathbf{60.0000 \text{ percent}}$$

Exclusions

The following loans are excluded from this metric:

- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Transfers of Servicing (Global Family change between numerator and denominator)
- Government seizures
- Service Members Civil Relief Act (SCRA)
- Mortgages sold in a non-performing loan sale

Changes to the Performance Metrics

2017 Investor Reporting Metrics

The following table identifies the Investor Reporting metrics for the 2017 Scorecard. Note that all Investor Reporting metrics will receive a pass/fail performance result (if performance can be calculated).

Metrics	Weights
1. Cash Shortage	N/A
2. Average Number of Days to Report Payoffs	N/A
3. Aged Edits Past 30+ Days	N/A

Unlike the Default Management metrics, the Investor Reporting metrics have no associated weights. Therefore, you will not receive a rank for each individual Investor Reporting metric, and you will not receive an overall ranking for the Investor Reporting category.

Cash Shortage

The Cash Shortage metric indicates whether the worst cash shortage event in the current month was greater than two business days **and** the cash shortage was greater than \$2,500.

If the worst cash shortage event in the current month is:	Then you will receive a performance result of:
Greater than two business days and the cash shortage amount is greater than \$2,500	Fail.
Greater than two business days and the cash shortage amount is equal to or less than \$2,500	Pass.
Less than or equal to two business days	Pass.

Examples

The following examples demonstrate when you will receive a “Pass” or “Fail” performance result.

If the cash shortage amount is:	And the shortage lasted:	Then you will receive a performance result of:
\$2,500.01	Three business days	Fail.
\$2,500.00	Four business days	Pass.
\$2,500.01	Two business days	Pass.

Changes to the Performance Metrics

Average Number of Days to Report Payoffs

The Average Number of Days to Report Payoffs metric indicates whether you reported your payoffs in a timely manner to Freddie Mac in the current month.

If the average number of days to report payoffs is:	Then you will receive a performance result of:
Greater than two	Fail.
Less than or equal to two	Pass.

Performance Calculation

The Average Number of Days to Report Payoffs metric is calculated as follows:

$$\frac{\text{Total number of business days for each payoff in the current month}}{\text{Total number of loans that paid off in the current month}} = \text{Average Number of Days to Report Payoffs}$$

Example

$$\frac{\text{Total number of business days to report each payoff in October} = 575}{\text{Total number of loans that paid off in October} = 400} = 1.4357 \text{ days (Pass)}$$

Changes to the Performance Metrics

Aged Edits Past 30+ Days

The Aged Edits Past 30+ Days metric indicates your promptness in resolving data discrepancies. It reflects, as a percentage, the number of initial edits that occurred in the previous month that occurred again in the current month. A lower value indicates better performance.

The following loan-level edits are applicable to this metric.

- 105 ▪ 210 ▪ 410 ▪ 701
- 200 ▪ 211 ▪ 411 ▪ 702
- 201 ▪ 215 ▪ 412 ▪ 703
- 202 ▪ 224 ▪ 413 ▪ 705
- 203 ▪ 225 ▪ 600 ▪ 801
- 204 ▪ 226 ▪ 601 ▪ 804
- 206 ▪ 227 ▪ 602 ▪ 805
- 207 ▪ 233 ▪ 603 ▪ 807
- 208 ▪ 235 ▪ 606
- 209 ▪ 236 ▪ 700

Performance Calculation

The Aged Edits Past 30+ Days metric is calculated as follows:

$$\frac{\text{Number of aged edits (30+ days old) in the current month}}{\text{Number of initial edits in the previous month}} = \text{Aged Edits Past 30+ Days (error rate)}$$

If the error rate is:	Then you will receive a performance result of:
Greater than 1.00 percent	Fail.
Less than or equal to 1.00 percent	Pass.

Example

$$\frac{\text{Number of aged edits (30+ days old) in May} = 1}{\text{Number of initial edits in April} = 200} = \mathbf{0.5000 \text{ percent (Pass)}}$$

Changes to the Performance Metrics

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Changes to the Supplemental Metrics

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Introduction

All of the supplemental metrics on the 2017 Freddie Mac Servicer Success Scorecard (Scorecard) are new. This chapter introduces the supplemental metrics for 2017 and provides detailed descriptions, calculations, and examples for each.

Performance Period

We have revised the performance period for metrics that previously had a rolling three-month performance period to a one-month performance period.

Changes to the Supplemental Metrics

We have made the following changes to the supplemental metrics:

- Removed all of the supplemental metrics that were available on the 2016 Scorecard:
 - 90+ to Better
 - 6-Month Performance
 - Timing of Liquidation Solutions
 - Loans Beyond Foreclosure Sale Threshold
- Added the following new supplemental metrics for 2017:
 - Transition from Current to 30+
 - Transition from 60 to 90+
 - Transition from 120+ to Worse
 - Modification Pull-Through Rate
 - Inflow to Past Timeline Trend
 - Average Age Beyond Timeline

As reminder, all supplemental metric numerators are subsets of their denominators.

Changes to the Supplemental Metrics

Transition from Current to 30+

The Transition from Current to 30+ supplemental metric reflects, as a percentage, the number of loans that were current in the previous month that transitioned to a 30+ day (not in foreclosure) delinquency (D30+) status in the current month. A lower value indicates better performance.

Performance Calculation

The Transition from Current to 30+ supplemental metric is calculated as follows:

$$\frac{\text{Number of D30+ loans (not in foreclosure) in the current month}}{\text{Number of loans that were current in the previous month}} = \text{Transition from Current to 30+}$$

Example

$$\frac{\text{Number of D30+ loans (not in foreclosure) in June} = \mathbf{125}}{\text{Number of loans that were current in May} = \mathbf{4,500}} = \mathbf{2.7778 \text{ percent}}$$

Exclusions

The following loans are excluded from this supplemental metric:

- Trial Period Plans less than four months old (for non-bankruptcy loans)
- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Probate
- Service Members Civil Relief Act (SCRA)
- Disaster forbearance
- Litigation
- Condemned properties
- Trial Period Plans less than 12 months old (for bankruptcy loans)
- Transfers of Servicing (Global Family change between numerator and denominator)
- Government seizures
- Unemployment forbearance
- Appeal of Loan Modification
- Bankruptcy

Changes to the Supplemental Metrics

Transition from 60 to 90+

The Transition from 60 to 90+ supplemental metric reflects, as a percentage, the number of loans that were 60 days delinquent (D60) in the previous month that transitioned to a 90+ day (not in foreclosure) delinquency (D90+) status in the current month. A lower value indicates better performance.

Performance Calculation

The Transition from 60 to 90+ supplemental metric is calculated as follows:

$$\frac{\text{Number of D90+ loans (not in foreclosure) in the current month}}{\text{Number of D60 loans in the previous month}} = \text{Transition from 60 to 90+}$$

Example

$$\frac{\text{Number of D90+ loans (not in foreclosure) in September} = 30}{\text{Number of D60 loans in August} = 600} = 5.0000 \text{ percent}$$

Exclusions

The following loans are excluded from this supplemental metric:

- Trial Period Plans less than four months old (for non-bankruptcy loans)
- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Probate
- Service Members Civil Relief Act (SCRA)
- Disaster forbearance
- Litigation
- Condemned properties
- Trial Period Plans less than 12 months old (for bankruptcy loans)
- Transfers of Servicing (Global Family change between numerator and denominator)
- Government seizures
- Unemployment forbearance
- Appeal of Loan Modification
- Bankruptcy

Changes to the Supplemental Metrics

Transition from 120+ to Worse

The Transition from 120+ to Worse supplemental metric reflects, as a percentage, the number of loans that were 120 or more days delinquent (D120+) (not in foreclosure) in the previous month that transitioned to an even worse D120+ delinquency status (not in foreclosure) in the current month. Loans in the denominator that remain at D120+ and do not transition to a worse level of delinquency are not included in the numerator. A lower value indicates better performance.

Performance Calculation

The Transition from 120+ to Worse supplemental metric is calculated as follows:

$$\frac{\text{Number of D120+ loans (not in foreclosure) in the previous month that transitioned to an even worse D120+ delinquency status (not in foreclosure) in the current month}}{\text{Number of D120+ loans (not in foreclosure) in the previous month}} = \text{Transition from 120+ to Worse}$$

Example

$$\frac{\text{Number of D120+ loans (not in foreclosure) in the previous month that transitioned to an even worse D120+ delinquency status (not in foreclosure) in June} = 127}{\text{Number of D120+ loans (not in foreclosure) in May} = 1,000} = 12.7000 \text{ percent}$$

Exclusions

The following loans are excluded from this supplemental metric:

- Trial Period Plans less than four months old (for non-bankruptcy loans)
- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Probate
- Service Members Civil Relief Act (SCRA)
- Disaster forbearance
- Litigation
- Condemned properties
- Trial Period Plans less than 12 months old (for bankruptcy loans)
- Transfers of Servicing (Global Family change between numerator and denominator)
- Government seizures
- Unemployment forbearance
- Appeal of Loan Modification
- Bankruptcy

Changes to the Supplemental Metrics

Modification Pull-Through Rate

The Modification Pull-Through Rate supplemental metric reflects, as a percentage, the number of modifications with a trial period start date five months prior, that are closed in the current month. A higher value indicates better performance.

Performance Calculation

The Modification Pull-Through Rate supplemental metric is calculated as follows:

$$\frac{\text{Modifications with a start date five months prior that are closed in the current month}}{\text{Modifications with a start date five months prior}} = \text{Modification Pull-Through Rate}$$

Example

$$\frac{\text{Modifications with a start date five months prior that are closed in June} = 458}{\text{Modifications with a start date in January} = 557} = 82.2262 \text{ percent}$$

Exclusions

The following loans are excluded from this supplemental metric:

- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Transfers of Servicing (Global Family change between numerator and denominator)

Note: The Transfer of Servicing exclusion applies conditionally to this metric based on the status of the loan and when the transfer occurred, through the time period of the metric.

Changes to the Supplemental Metrics

Inflow to Past Timeline Trend

The Inflow to Past Timeline Trend supplemental metric measures how effectively you manage your loans in foreclosure, without exceeding foreclosure timelines. Specifically, it reflects, as a percentage, the number of loans in foreclosure that were within their allowable state foreclosure timelines (i.e., the state foreclosure timeline plus allowable delays) in the previous month that have exceeded their allowable state foreclosure timelines in the current month. A lower value indicates better performance.

Performance Calculation

The Inflow to Past Timeline Trend supplemental metric is calculated as follows:

$$\frac{\text{Number of loans in foreclosure that exceeded their allowable state foreclosure timelines in the current month}}{\text{Number of loans in foreclosure that were within their allowable state foreclosure timelines in the previous month}} = \text{Inflow to Past Timeline Trend}$$

Example

$$\frac{\text{Number of loans in foreclosure that exceeded their allowable state foreclosure timelines in October} = \mathbf{125}}{\text{Number of loans in foreclosure that were within their allowable state foreclosure timelines in September} = \mathbf{2,040}} = \mathbf{6.1275 \text{ percent}}$$

Exclusions

The following loans are excluded from this supplemental metric:

- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Transfers of Servicing (Global Family change between numerator and denominator)
- Government seizures
- Service Members Civil Relief Act (SCRA)

Changes to the Supplemental Metrics

Average Age Beyond Timeline

The Average Age Beyond Timeline supplemental metric reflects the average number of days your organization exceeded the allowable state foreclosure timelines (i.e., the state foreclosure timeline plus allowable delays) for all loans that are past their allowable state foreclosure timelines in the current month. A lower value indicates better performance.

Performance Calculation

The Average Age Beyond Timeline supplemental metric is calculated as follows:

$$\frac{\text{Cumulative number of days beyond the allowable state foreclosure timeline for all loans beyond their allowable state foreclosure timeline in the current month}}{\text{Number of loans beyond their allowable state foreclosure timelines in the current month}} = \text{Average Age Beyond Timeline}$$

Example

$$\frac{\text{Cumulative number of days beyond the allowable state foreclosure timeline for all loans beyond their allowable state foreclosure timeline in August} = \mathbf{600}}{\text{Number of loans beyond their allowable state foreclosure timelines in August} = \mathbf{125}} = \mathbf{4.80 \text{ days}}$$

Exclusions

The following loans are excluded from this supplemental metric:

- Government loans (loans insured by the FHA or guaranteed by the VA or RHS)
- Transfers of Servicing (Global Family change between numerator and denominator)
- Government seizures
- Service Members Civil Relief Act (SCRA)

Changes to the Supplemental Metrics

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Preview the Freddie Mac Servicer Success Scorecard for 2017

4

Introduction

There are several significant changes to the Freddie Mac Servicer Success Scorecard (Scorecard) for 2017:

- The overall design of the Scorecard and its navigation have changed.
- The Scorecard will display performance at the Global Family level only. The Servicer Family view will no longer be available.
- The Criteria Detail pages have been renamed “Metric Detail” pages, and include Servicer Family and Servicer level data, as applicable.

This chapter highlights the redesigned format of your 2017 Scorecard, which is available for your preview beginning on November 30, 2016.

Preview the Scorecard for 2017

The Freddie Mac Servicer Success Scorecard for 2017

With its sleek, and user-friendly design for 2017, the Scorecard provides quick and easy access to your performance data. Below is an example of the 2017 Scorecard.

MENU							Freddie Mac Servicer Success Scorecard													
Rank Group: 1 ^①							123456 - ABC Bank							As of: July 2016						
Portfolio Summary																				
245,680				239,668				6,012				1,503								
Total Loans Serviced				97.55%				2.45%				0.61%								
				Performing				Non-Performing				Seriously Delinquent								
Default Management ^①																				
		Performance		Synthetic		Trend		Rank		Bottom 25% 3 Months		1/5 Overall Rank								
1. Transition from 30 to 60+		14.07%		12.15%		Coming		2/7		N										
2. Cure Efficiency		8.13%		10.06%				6/7		N										
3. Retention Efficiency		3.88%		2.73%		Soon		2/7		N										
4. Liquidation Efficiency		1.71%		2.14%				5/7		N										
5. 6-Month Modification Performance		76.11%		71.00%		2/5		N												
6. Total Timeline Trend		85.44%		79.01%		6/7		N												
Supplemental Metrics																				
7. Transition from Current to 30+		0.60%		0.00%																
8. Transition from 60 to 90+		27.20%		26.98%																
9. Transition from 120+ to Worse		57.45%		46.15%																
10. Modification Pull-Through Rate		81.97%		43.84%																
11. Inflow to Past Timeline Trend		1.43%		71.00%																
12. Average Age Beyond Timeline		885.70		687.15																
File Review Monitoring																				
		Defect Rate		Target		vs. Prior Month		Rank		Rating		Review Month								
1. Prudent Servicing Review		3.60%		4.00%		↘		6/12		Pass		Apr 2016								
2. Short Sales Compliance Review		1.09%		5.00%		↔		4/12		Pass		Apr 2016								
3. Loan Modification Compliance Review		1.93%		2.00%		↔		8/12		Pass		Apr 2016								
Investor Reporting																				
		Performance		Rating																
1. Cash Shortage		\$0.00		Pass																
2. Average Number of Days to Report Payoffs		0.80		Pass																
3. Aged Edits Past 30+ Days		0.00%		Pass																
<small>The Servicer Success Scorecard, Executive Summary Report, and any reports or documents derived from the metrics and data related to the Servicer Success Scorecard contain Confidential Information of Freddie Mac which must be kept secure and confidential. Please refer to Sections 1201.1 and 8101.8 of the Freddie Mac Single-Family Seller/Servicer Guide, and any other confidentiality or non-disclosure agreements between our companies for additional details regarding Confidential Information.</small>																				

Preview the Scorecard for 2017

Understanding Your Freddie Mac Servicer Success Scorecard for 2017

The 2017 Scorecard contains various sections that display your performance data. Let's take a closer look at each section.

Menu

Click **Menu** to access other tools and information as outlined below.



Menu Selection	Description
Executive Summary Report	Generates and displays your Executive Summary Report (ESR).
Appendices	Three appendices provide access to the following information: <ul style="list-style-type: none">▪ <u>Appendix A</u>: Information on Default Management metrics, File Review Monitoring, Investor Reporting metrics, and portfolio composition.▪ <u>Appendix B</u>: Information on the ranking methodology.▪ <u>Appendix C</u>: Information on the synthetic portfolio methodology.
What's New	Displays the "What's New" page where you can view a summary of recent changes to the Scorecard.
Feedback	Click this link to provide feedback to us regarding the Scorecard during the preview period.
Program Overview	Displays the Freddie Mac Servicing Success Program page on FreddieMac.com.
Training	This link is not yet functional.
Reference Guide	Provides access to the <i>Freddie Mac Servicer Success Scorecard Changes for 2017 Reference Guide</i> .
Manager Series	Provides access to the Servicer Performance Profile page.

Preview the Scorecard for 2017

Menu Selection	Description
Home	Displays the home page on FreddieMac.com.
Servicing	Displays the Servicing page on FreddieMac.com.

Scorecard Banner

The Scorecard banner is static, with the exception of the Menu link, and provides general information about your rank group, Global Family, and the reporting period.

Click this icon to print your Scorecard.

Identifies your rank group. The rank group you are in may change over time, based on the size of your Freddie Mac servicing portfolio. Click the information icon to display an alphabetical list of names of all other Servicers within your rank group. For additional information, refer to Chapter 5, Changes to the Ranking Methodology.

Identifies your Global Family Servicer Number and name.

Identifies the reporting period associated with the performance results reflected on your Scorecard. For example, if the “As of” date is July 2016, the results reflect your performance for July 2016 and the Scorecard is available to you on August 31, 2016.

Freddie Mac Servicer Success Scorecard
 Rank Group: 1 | 123456 - ABC Bank | As of: July 2016

Servicers in Group 1

Portfolio Summary

245,68	68	6,012	1,503
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Preview the Scorecard for 2017

Portfolio Summary

The Portfolio Summary provides general, high-level data about your Freddie Mac servicing portfolio.

The total number of performing and non-performing loans in your Freddie Mac servicing portfolio.

This does not include interim servicing.

The total number of non-performing loans (i.e., loans that are 30+ days delinquent or in foreclosure) in your Freddie Mac servicing portfolio, also reflected as a percentage of total loans serviced.

For example:

$$6,012 \div 245,680 = 2.45 \text{ percent}$$

Portfolio Summary			
245,680	239,668	6,012	1,503
	97.55%	2.45%	0.61%
Total Loans Serviced	Performing	Non-Performing	Seriously Delinquent

The total number of performing loans in your Freddie Mac servicing portfolio, also reflected as a percentage of total loans serviced.

For example:

$$239,668 \div 245,680 = 97.55 \text{ percent}$$

The total number of seriously delinquent loans (i.e., loans that are 90+ days delinquent or in foreclosure) in your Freddie Mac servicing portfolio, also reflected as a percentage of total loans serviced.

For example:

$$1,503 \div 245,680 = 0.61 \text{ percent}$$

Preview the Scorecard for 2017

Default Management

For 2017, the Default Management category includes six performance metrics that focus on delinquency management, loss mitigation and workout effectiveness, and foreclosure timeline management.

Click to access loan-level detail reports.

	Performance	Synthetic	Trend	Rank	Bottom 25% 3 Months	1/5 Overall Rank
1. Transition from 30 to 60+	14.07%	12.15%	Coming	2/7	N	
2. Cure Efficiency	8.13%	10.06%		6/7	N	
3. Retention Efficiency	3.88%	2.73%	Soon	2/7	N	
4. Liquidation Efficiency	1.71%	2.14%		5/7	N	
5. 6-Month Modification Performance	76.11%	71.00%		2/5	N	
6. Total Timeline Trend	85.44%	79.01%		6/7	N	

The following table identifies and provides a description for the performance data displayed for the Default Management metrics.

Item/Column	Description
	Click this icon to access and download loan-level detail reports. For additional information, refer to “Access and Download Loan-Level Detail Reports” in this chapter.
Metric	Identifies the individual metrics in the Default Management category. For additional information about the metrics, refer to Chapter 2.
Performance	<p>Your performance for each metric for the current reporting period.</p> <ul style="list-style-type: none"> Performance results displayed in gray indicate that your performance exceeded the performance of the synthetic portfolio (i.e., you outperformed the synthetic portfolio). Performance results displayed in red indicate that your performance did not exceed the performance of the synthetic portfolio (i.e., you did not outperform the synthetic portfolio). <p>In some cases, sufficient data may not be available to calculate performance. If we are unable to calculate performance for a given metric due to insufficient data, the field will display N/C (not calculable).</p>
Synthetic	<p>The synthetic portfolio’s performance for the metric to which your performance was compared for the reporting period.</p> <p>If we are unable to calculate performance for a given metric due to insufficient data, or if there is not a minimum of 20 loans in the denominator, we will not calculate performance for the synthetic portfolio and the field will display N/A (not applicable).</p> <p>For additional information, refer to “Synthetic Portfolio” in Chapter 5.</p>

There must be a minimum of one loan in the denominator to calculate performance for a metric.

There must be a minimum of 20 loans in the Servicer’s metric denominator to calculate performance for the synthetic portfolio.

Preview the Scorecard for 2017

Item/Column	Description
Trend	Coming soon. This feature is not available during the preview period.
Rank	<p>How your performance compares to the performance of other Servicers within your rank group for the metric. The data displayed indicates your rank for the metric. If performance cannot be calculated for a metric, you will not be ranked for that metric. Your rank is determined by computing the percent difference (better or worse) between your performance and your synthetic portfolio's performance compared to that of other Servicers with calculable performance for the metric.</p> <p>For additional information, refer to Chapter 5, Changes to the Ranking Methodology.</p>
Bottom 25% 3 Months	A "Y" indicates you have ranked in the bottom 25 percent of your rank group for three consecutive months. An "N" indicates you have not.
Overall Rank	<p>Your organization's overall rank for the Default Management category, compared to other ranked Servicers within your rank group.</p> <p>You will receive an overall rank if you are in Rank Groups 1 and 2, and we were able to calculate performance for the metrics required to determine an overall rank for those rank groups. If we were not able to calculate performance for the metrics required to determine an overall rank, N/A will display.</p> <p>If you are in rank groups 3 and 4, you will not receive an overall rank, and N/A will display.</p>

Note: To view information about the Default Management performance results displayed on the Scorecard, click the information icon shown below.

Click this icon to display the information shown below.

Scroll part way down the screen before clicking the icon to display the information without obscuring the Default Management section of the screen.

- Performance: Performance in Red indicates it is worse than Synthetic. An "N/C" indicates that your performance was not calculable for that metric because you did not have at least one loan in the denominator.
- Synthetic: An "N/A" indicates that the synthetic is not applicable for the metric because you either had less than 20 loans in the denominator or it was not calculable.
- Trend: An "N/A" indicates that trend is not applicable to this metric because your performance history does not contain insufficient historical data to calculate a meaningful trend.
- Rank: An "N/A" indicates that the rank is not applicable for the metric because you either had incalculable performance, less than 20 loans in your denominator or are in Rank Group 3 or 4.
- Bottom 25% - 3 Months: An "N/A" indicates that this evaluation is not applicable because you are in Rank Group 3 or 4.
- Overall Rank box: An "N/A" indicates that the overall rank is not applicable to you because you are either in Rank Group 3 or 4 or you did not have calculable performance or you did not have at least 20 loans for each of the required rank eligibility metrics for your rank group.

Preview the Scorecard for 2017

Default Management – Supplemental Metrics

In addition to the six Default Management performance metrics, there are six supplemental metrics. We provide the supplemental metrics to offer further insight into your portfolio performance and to help you more effectively manage your core metric performance.

Default Management ⓘ

	Performance	Synthetic	Trend	Rank	Bottom 25% 3 Months	1/5 Overall Rank
↓ 1. Transition from 30 to 60+	14.07%	12.15%	Coming	2/7	N	
↓ 2. Cure Efficiency	8.13%	10.06%		6/7	N	
↓ 3. Retention Efficiency	3.88%	2.73%		2/7	N	
↓ 4. Liquidation Efficiency	1.71%	2.14%	Soon	5/7	N	
↓ 5. 6-Month Modification Performance	76.11%	71.00%		2/5	N	
↓ 6. Total Timeline Trend	85.44%	79.01%		6/7	N	
Supplemental Metrics						
↓ 7. Transition from Current to 30+	0.60%	0.00%				
↓ 8. Transition from 60 to 90+	27.20%	26.98%				
↓ 9. Transition from 120+ to Worse	57.45%	46.15%				
↓ 10. Modification Pull-Through Rate	81.97%	43.84%				
↓ 11. Inflow to Past Timeline Trend	1.43%	71.00%				
↓ 12. Average Age Beyond Timeline	885.70	687.15				

Your actual performance for each supplemental metric for the current reporting period.

- Performance results displayed in gray indicate that your performance exceeded the performance of the synthetic portfolio (i.e., you outperformed the synthetic portfolio).
- Performance results displayed in red indicate that your performance did not exceed the performance of the synthetic portfolio (i.e., you did not outperform the synthetic portfolio).

In some cases, sufficient data may not be available to calculate performance. If we are unable to calculate performance for a given metric due to insufficient data, the field will display N/C.

The synthetic portfolio's performance for the supplemental metric for the reporting period. We provide this data as a comparison point for you to assess your performance.

If we are unable to calculate performance for a given metric due to insufficient data, we will not calculate performance for the synthetic portfolio and the field will display N/A.

For additional information, refer to Chapter 3, Changes to the Supplemental Metrics.

Preview the Scorecard for 2017

File Review Monitoring

The metrics for the Servicer Success File Review (“File Review”) component of the Servicing Success Program display on the Scorecard, if you were subject to a review, and will continue to display until a subsequent review is completed. The performance results displayed will always reflect the most recent File Review results available.

If you are not subject to File Reviews, this section will not display on your Scorecard.

File Review Monitoring

	Defect Rate	Target	vs. Prior Month	Rank	Rating	Review Month
1. Prudent Servicing Review	3.60%	4.00%	↘	6/12	Pass	Apr 2016
2. Short Sales Compliance Review	1.09%	5.00%	↔	4/12	Pass	Apr 2016
3. Loan Modification Compliance Review	1.93%	2.00%	↔	8/12	Pass	Apr 2016

The following table identifies and provides a description for the performance data displayed for File Review Monitoring.

Item/Column	Description
Type of File Review	<p>Identifies the three types of File Reviews:</p> <ul style="list-style-type: none"> ▪ Prudent Servicing Review: An assessment of your collection and solicitation activities, loss mitigation efforts, property preservation through timely inspections, and foreclosure timeline management requirements. ▪ Short Sales Compliance Review: An assessment of your compliance with <i>Single-Family Seller/Servicer Guide</i> (Guide) requirements and delegated authority relative to settled Freddie Mac Standard Short Sales. ▪ Loan Modification Compliance Review: An assessment of your compliance with Guide requirements and delegated authority relative to settled and declined Home Affordable Modification Program (HAMP®) modifications and settled Freddie Mac loan modifications.
Defect Rate	Reflects the review results for the month and year indicated in the Review Month column. The number of defects found in the specific File Review divided by the total possible number of defects/attributes in that sample.
Target	Performance targets for each type of File Review.

Preview the Scorecard for 2017

Item/Column	Description	
vs. Prior Month	This column indicates your performance trend and is determined by subtracting your defect rate this review month from your defect rate for the prior review month.	
	If your defect rate is:	Then the following displays:
	Lower than the last review month	Green arrow trending up
	Higher than the last review month	Red arrow trending down
	Equal to the last review month	Gray flat arrow
Rank	How your performance compares to the performance of other ranked Servicers within your rank group.	
Rating	This column will display: <ul style="list-style-type: none"> ▪ “Pass” if your defect rate is equal to or less than the performance target for the File Review. ▪ “Fail” if your defect rate is greater than the performance target for the File Review. 	
Review Month	The most recent month in which your organization was subject to a File Review.	

Preview the Scorecard for 2017

Investor Reporting

The Investor Reporting metrics for 2017 focus on cash management, operational effectiveness, and data integrity.

Identifies the individual metrics in the Investor Reporting category.

	Performance	Rating
1. Cash Shortage	\$0.00	Pass
2. Average Number of Days to Report Payoffs	0.80	Pass
3. Aged Edits Past 30+ Days	0.00%	Pass

Your actual performance for each metric for the current reporting period, if performance can be calculated.

In some cases, sufficient data may not be available to calculate performance. If we are unable to calculate performance for a given metric due to insufficient data, the field will display N/C.

All Investor Reporting metrics will receive a pass/fail performance rating (if performance can be calculated).

For additional information, refer to Chapter 2, Changes to the Performance Metrics.

Preview the Scorecard for 2017

The Metric Detail Pages

During the preview period, you will also have access to the Metric Detail pages (formerly titled the Criteria Detail pages).

Servicer Success Scorecard
Metric Detail | 123456 - ABC Bank | As of: July 2016

6-Month Modification Performance				
102	143	71.33%	50.22%	HARP Modification Type Months in Delinquency Status Payment Reduction States
Numerator	Denominator	Performance	Synthetic	Control Variables

Definition

Numerator The number of closed modification loans that are current or paid off (prepaid/maturity) six months after the modification effective date

Denominator Number of modifications with a modification effective date six months prior to current month

Exclusions Government Loans, Transfer of Servicing (Global Family change between Denominator and Numerator)

Calculation

	Numerator	Denominator
Initial Loans	102	143
Excluded Loans	- 0	- 0
	102	143

Notes

For the preview period, Metric Detail pages are available for the Default Management performance metrics and supplemental metrics. Metric Detail pages for the Investor Reporting metrics will not be available for the preview period.

How to Access the Metric Detail Pages

To access the Metric Detail page for a specific metric, click the value displayed in the Performance column on the Scorecard.

Default Management ⓘ

	Performance	Synthetic	Trend	Rank	Bottom 25% 3 Months	1/5 Overall Rank
↓ 1. Transition from 30 to 60+	14.60%	11.66%	Coming	3/7	N	
↓ 2. Cure Efficiency	7.52%	7.11%		3/7	N	
↓ 3. Retention Efficiency	4.27%	2.05%	Soon	1/7	N	
↓ 4. Liquidation Efficiency	3.59%	3.06%		1/7	N	
↓ 5. 6-Month Modification Performance	71.33%	50.22%		1/5	N	
↓ 6. Total Timeline Trend	86.92%	85.75%	3/7	N		

Preview the Scorecard for 2017

Understanding the Metric Detail Pages

The Metric Detail pages have been redesigned for 2017 and contain the following information to provide insight into your performance results:

- Performance results relative to a specific Default Management metric, including the Servicer’s performance results and the performance of the synthetic portfolio
- Access to the loan-level detail report
- Performance history for the most recent 12 months at the Global Family level
- Performance history for the most recent 12 months at the Family and Servicer level (if the Global Family includes more than one Family and Servicer)

Click this icon to return to the Scorecard.

Click this icon to print the Metric Detail page.



Item	Description
Numerator	Displays the number of loans in the numerator of the equation before any exclusions are applied.
Denominator	Displays the number of loans in the denominator of the equation before any exclusions are applied.
Performance	Your organization’s actual performance for the metric, reflected as a percentage; the numerator divided by the denominator.
Synthetic	The synthetic portfolio’s performance for the metric, reflected as a percentage, to which your performance was compared for the reporting period.
Control Variables	The metric-specific control variables used to create the synthetic portfolio for the metric.

Preview the Scorecard for 2017

Definition and Calculation

The Metric Detail pages also provide a description of the numerator, denominator, and exclusions, as well as initial loan counts and number of excluded loans.

Definition		Calculation	
Numerator	The number of closed modification loans that are current or paid off (prepaid/maturity) six months after the modification effective date	Numerator	Denominator
Denominator	Number of modifications with a modification effective date six months prior to current month	Initial Loans	102 143
Exclusions	Government Loans, Transfer of Servicing (Global Family change between Denominator and Numerator)	Excluded Loans	- 0 - 0
Notes	A HIGHER Performance value than your Synthetic means you are outperforming it	↓	102 143

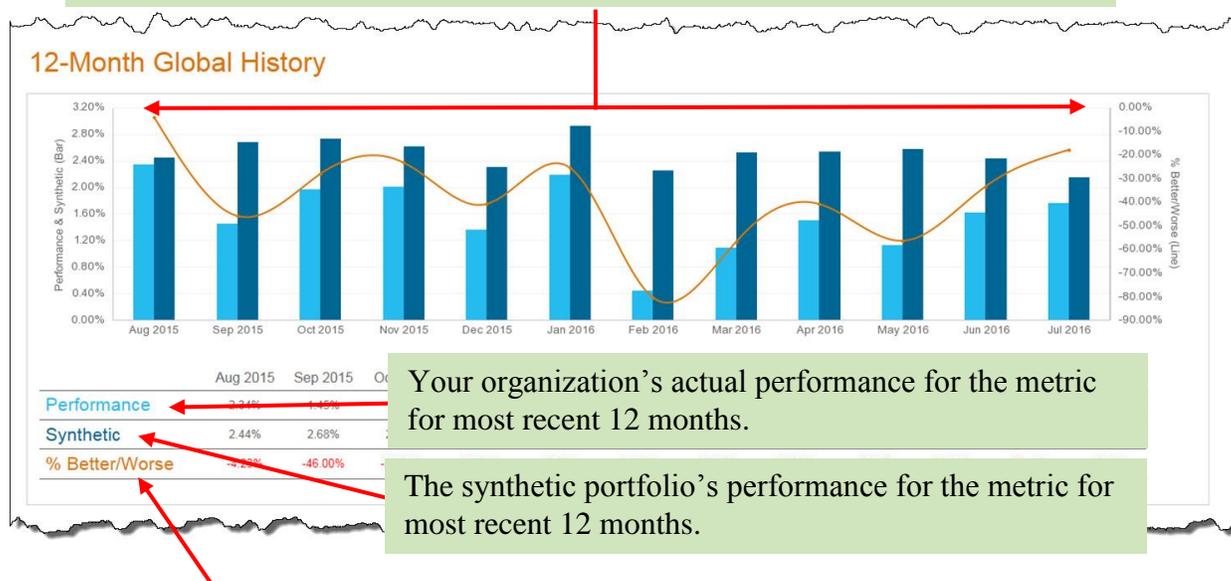
Item	Description
Definition Section	
Numerator	Defines the population of loans that are initially included in the numerator before any exclusions are applied.
Denominator	Defines the population of loans that are initially included in the denominator before any exclusions are applied.
Exclusions	Identifies the loans that are excluded from the numerator and denominator for the metric.
Notes	Indicates how to interpret your performance compared to the synthetic portfolio's performance, and other relevant information.
Calculation Section	
Initial Loans – Numerator Column	Displays the number of loans in the numerator of the equation before any exclusions are applied.
Initial Loans – Denominator Column	Displays the number of loans in the denominator of the equation before any exclusions are applied.
Excluded Loans – Numerator Column	Displays the number of loans excluded from the numerator.
Excluded Loans – Denominator Column	Displays the number of loans excluded from the denominator.
	Click this icon to download and access loan-level detail reports for the metric. For additional information, refer to “Access and Download Loan-Level Detail Reports” in this chapter.
Numerator – Total	The total number of loans in the numerator after exclusions are applied.
Denominator – Total	The total number of loans in the denominator after exclusions are applied.

Preview the Scorecard for 2017

12-Month Global History

The 12-Month Global History provides for each of the most recent 12 months, a bar graph that reflects the performance of the Global Family and the synthetic portfolio, as well as a line graph that reflects the percentage by which your organization's performance was better or worse than the synthetic portfolio's performance.

All performance is plotted against the left axis of the graph with the exception of % Better/Worse, which is plotted against the right axis of the graph.



The percentage by which your organization's performance was better or worse than the synthetic portfolio's performance for the most recent 12 months.

- Results displayed in gray indicate that your performance exceeded the performance of the synthetic portfolio by that percentage (i.e., you outperformed the synthetic portfolio).
- Results displayed in red indicate that your organization under-performed the synthetic portfolio by that percentage (i.e., you did not perform as well as the synthetic portfolio).

We calculate the percentage by which your organization's performance was better or worse than the synthetic portfolio's performance as it is the basis for determining the rank for the metric, as well as the overall rank for the Default Management category, as applicable.

Preview the Scorecard for 2017

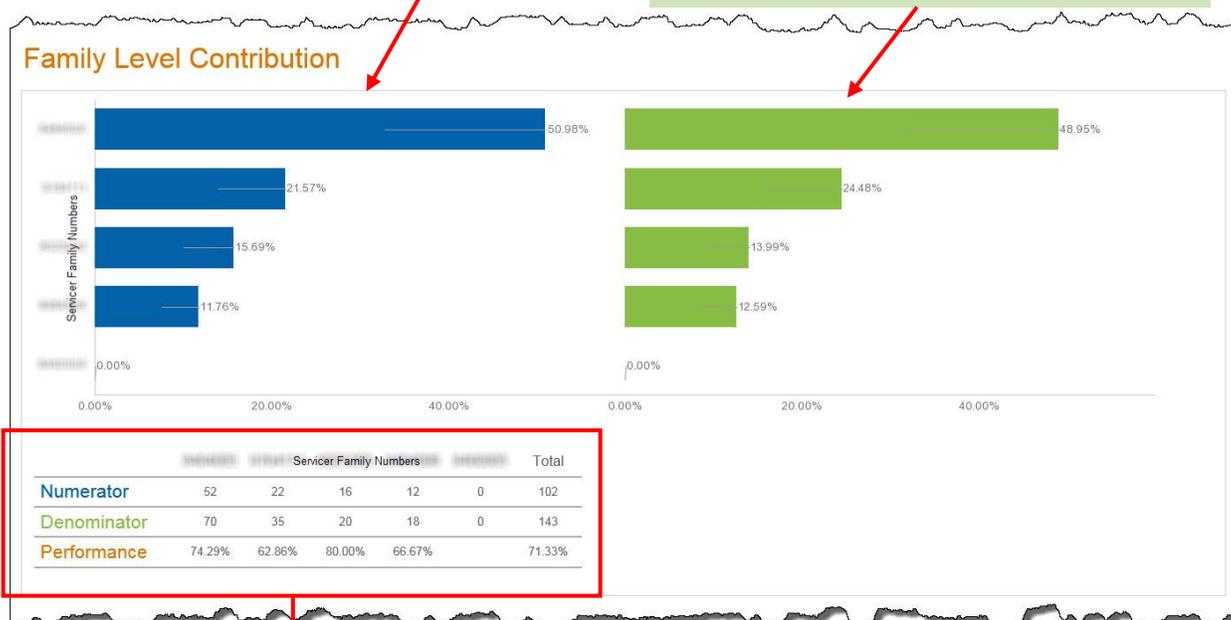
Family Level Contribution

The Family Level Contribution section of the Metric Detail page reflects, for the current reporting period, the percentage of the Global Family’s denominator and numerator loans that each individual Servicer Family contributed.

Note: If the Global Family contains only one Servicer Family, this section will not display on the Metric Detail page.

For each Servicer Family, the number of loans, reflected as a percentage, that Servicer Family contributed to the Global Family’s numerator (after exclusions were applied) for the current reporting period.

For each Servicer Family, the number of loans, reflected as a percentage, that Servicer Family contributed to the Global Family’s denominator (after exclusions were applied) for the current reporting period.



Row	Description
Numerator	The number of loans each Servicer Family within the Global Family contributed to the numerator after exclusions were applied.
Denominator	The number of loans each Servicer Family within the Global Family contributed to the denominator after exclusions were applied.
Performance	Reflects the individual Servicer Family’s performance for the current reporting period. Note: If a Servicer Family’s denominator is zero, that family’s performance will display as N/C (not calculable).

Preview the Scorecard for 2017

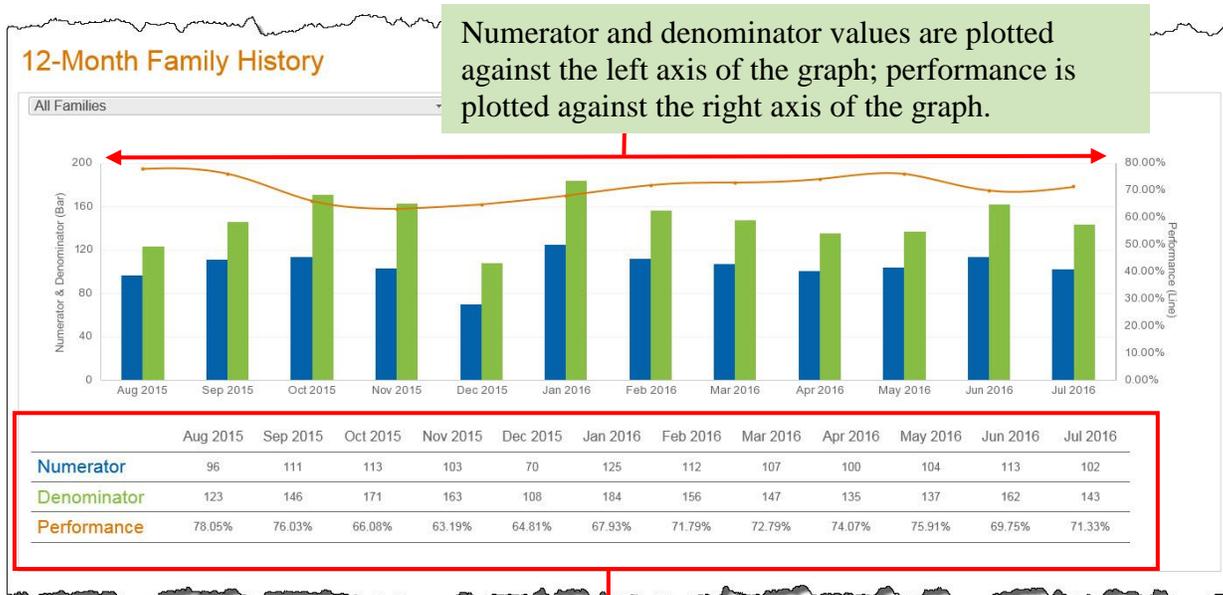
12-Month Family History

The 12-Month Family History is a bar graph that reflects the number of loans a Servicer Family contributed to the numerator and denominator of their Global Family over each of the most recent 12 months, including the current reporting period. A line graph also displays that reflects an individual Servicer Family's performance for the current reporting period or the performance of the Global Family, depending on your selection from the pick list.



You may view data for individual Servicer Families, or for all Servicer Families within the Global Family, by using the picklist.

Note: If a Global Family contains only one Servicer Family, the 12-Month Family History section will not display on the Metric Detail page.



Numerator and denominator values are plotted against the left axis of the graph; performance is plotted against the right axis of the graph.

Row	Description
Numerator	The number of loans the selected Servicer Family contributed to the Global Family's numerator after exclusions were applied.
Denominator	The number of loans the selected Servicer Family contributed to the Global Family's denominator after exclusions were applied.
Performance	Reflects the individual Servicer Family's performance for the current reporting period. If "All Families" is selected from the picklist, it reflects the performance of the Global Family.

Preview the Scorecard for 2017

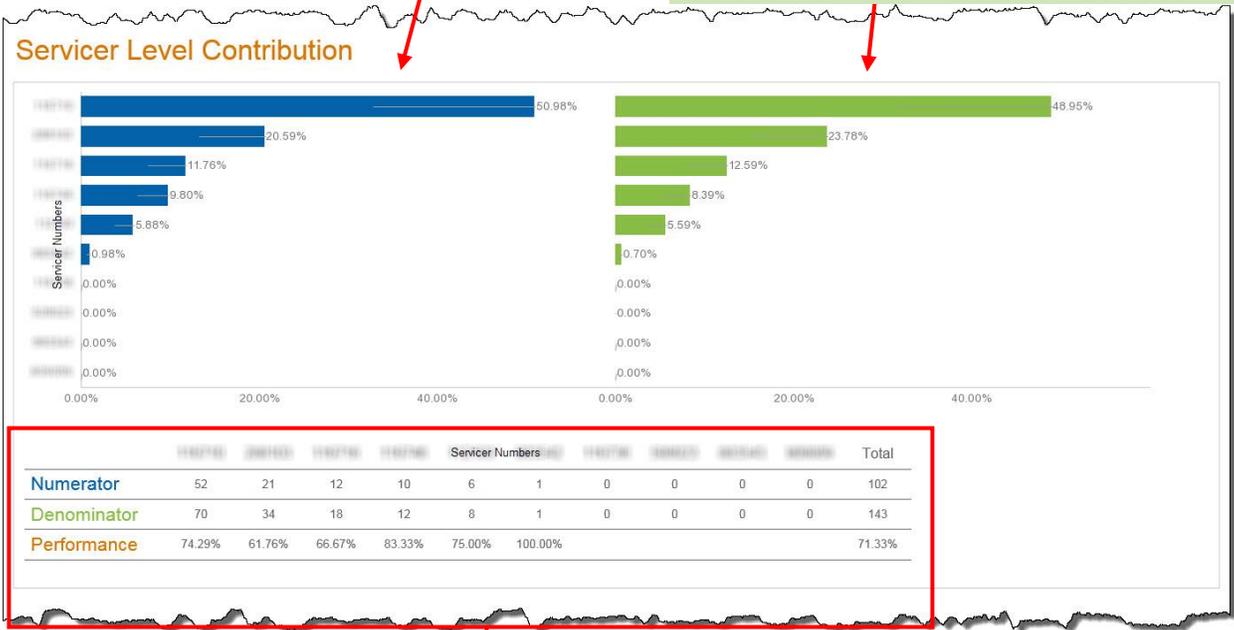
Servicer Level Contribution

The Servicer Level Contribution section of the Metric Detail page reflects, for the current reporting period, the percentage of the Global Family’s numerator and denominator loans that each individual Servicer contributed.

Note: If the Global Family contains only one Servicer, this section will not display on the Metric Detail page.

For each Servicer, the number of loans, reflected as a percentage, that Servicer contributed to the Global Family’s numerator (after exclusions were applied) for the current reporting period.

For each Servicer, the number of loans, reflected as a percentage, that Servicer contributed to the Global Family’s denominator (after exclusions were applied) for the current reporting period.



Row	Description
Numerator	The number of loans each Servicer within the Global Family contributed to the Global Family’s numerator after exclusions were applied.
Denominator	The number of loans each Servicer within the Global Family contributed to the Global Family’s denominator after exclusions were applied.
Performance	Reflects the individual Servicer’s performance for the current reporting period.

Preview the Scorecard for 2017

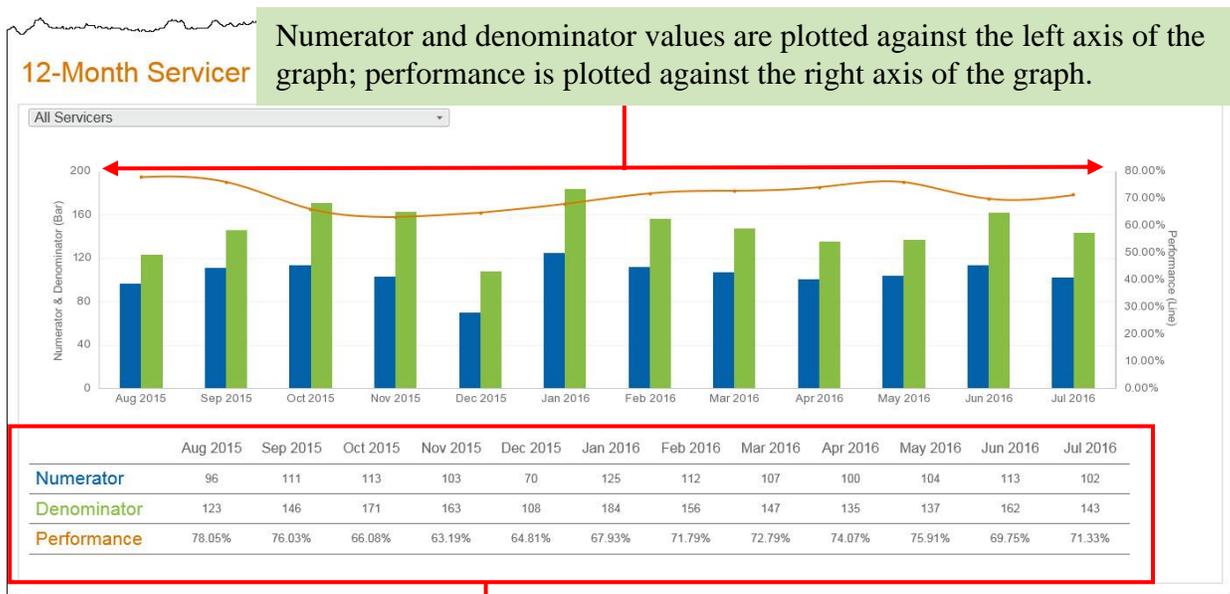
12-Month Servicer History

The 12-Month Servicer History is a bar graph that reflects the number of loans a Servicer contributed to the numerator and denominator of their Global Family for each of the most recent 12 months, including the current reporting period. A line graph also displays that reflects an individual Servicer’s performance for the current reporting period or the performance of the Global Family, depending on your pick list selection.



You may view data for individual Servicers, or for all Servicers within the Global Family, by using the picklist.

Note: If a Global Family contains only one Servicer, the 12-Month Servicer History section will not display on the Metric Detail page.



Row	Description
Numerator	The number of loans the selected Servicer contributed to the Global Family’s numerator after exclusions were applied.
Denominator	The number of loans the selected Servicer contributed to the Global Family’s denominator after exclusions were applied.
Performance	Reflects the individual Servicer’s performance for the current reporting period. If “All Servicers” is selected from the picklist, it reflects the performance of the Global Family.

Preview the Scorecard for 2017

Access and Download Loan-Level Detail Reports

For 2017, we've made it easier for you to obtain your loan-level detail reports by giving you the ability to access and download all loan-level detail reports for Default Management performance and supplemental metrics, and Investor Reporting metrics. You no longer have to contact your Freddie Mac representative to receive certain loan-level detail reports.

We also have redesigned the loan-level detail reports to contain the starting population of loans for each metric, before exclusions are applied. Therefore, there are no longer separate reports for the numerator and denominator.

For the preview period, loan-level detail reports will be available only for the Default Management performance and supplemental metrics.

Perform the following steps to access and download your loan-level detail reports:

1. Click the File Download icon, which is available via the Scorecard and Metric Detail pages.
 - From the Scorecard, click the icon that corresponds to the loan-level detail report you want to download.

Scorecard

	Performance	Synthetic	Trend	Rank	Bottom 25% 3 Months	1/5 Overall Rank
1. Transition from 30 to 60+	14.07%	12.15%	Coming	2/7	N	
2. Cure Efficiency	8.13%	10.06%		6/7	N	
3. Refention Efficiency	3.88%	2.73%	Soon	2/7	N	
4. Liquidation Efficiency	1.71%	2.14%		5/7	N	
5. 6-Month Modification Performance	76.11%	71.00%		2/5	N	
6. Total Timeline Trend	85.44%	79.01%		6/7	N	

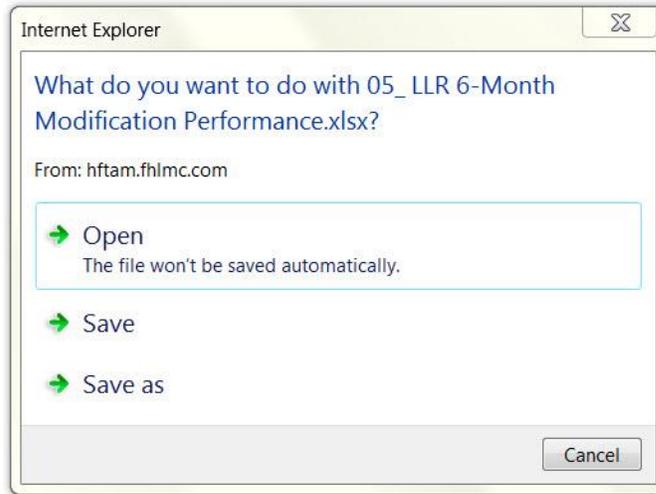
- From the Metric Detail page, click the icon shown below.

Metric Detail

Definition		Calculation	
		Numerator	Denominator
Numerator	The number of closed modification loans that are current or paid off (prepaid/maturity) six months after the modification effective date	Initial Loans	86
Denominator	Number of modifications with a modification effective date six months prior to current month	Excluded Loans	- 0
Exclusions	Government Loans, Transfer of Servicing (Global Family change between Denominator and Numerator)		86
			113

Preview the Scorecard for 2017

The following dialog box displays:



2. Determine how you want to proceed:

If you want to:	Then:
Open and view the data in an Excel spreadsheet	Select Open . The data is exported to a Microsoft® Excel® spreadsheet where you may view it.
Save the data to an Excel spreadsheet	Select Save As . A dialog box displays where you can identify the location in which you want to save the spreadsheet. Rename the file if you want, identify the directory in which you want to save it, and click Save .

After you open and/or save the spreadsheet, you may use the data to create ad hoc reports and run analyses.

Preview the Scorecard for 2017

How to Identify Loans Included in and Excluded from the Numerator and Denominator

The last five columns of the report indicate which loans were excluded from the denominator and numerator, and which loans ultimately were included in the numerator and denominator to calculate performance.

A “1” in this column indicates the loan was included in the initial numerator (i.e., the numerator prior to applying exclusions).

A “0” indicates it was not included in the initial numerator.

A “1” in this column indicates the loan was included in the final numerator (i.e., the numerator after applying exclusions).

A “0” indicates it was not included in the final numerator.

X	Z	AA	AB	AC	AD	AE
ModifiedL	ExcludedFromDenominator	FinalDenominator	InitialNumerator	ExcludedFromNumerator	FinalNumerator	
2.81%	0	1	1	0	1	
5.33%	0	1	1	1	0	1
7.20%	0	1	1	1	0	1
14.21%	0	1	1	1	0	1
20.41%	0	1	1	1	0	1
22.81%	0	1	1	1	0	1
59.97%	0	1	1	1	0	1
1.80%	0	1	1	1	0	1
2.74%	0	1	1	1	0	1
10.31%	0	1	0	0	0	0
	0	0	0	0	0	0

A “1” in this column indicates the loan was excluded from the denominator.

A “0” indicates it was not excluded from the denominator.

A “1” in this column indicates the loan was included in the final denominator (i.e., the loan was included in the performance calculation for the metric).

A “0” indicates it was not included the denominator (i.e., the loan was excluded from the performance calculation for the metric).

A “1” in this column indicates the loan was excluded from the numerator.

A “0” indicates it was not excluded from the numerator.

Changes to the Ranking Methodology

5

Rank Groups

Effective January 1, 2017, Servicers will be placed into four rank groups at the Global Family level, based on total number of mortgages serviced for Freddie Mac. Servicers will be ranked within their rank groups in the Default Management category only. Servicers will not be ranked in the Investor Reporting category.

The rank groups effective January 1, 2017 are:

	Includes Servicers who service:
Rank Group 1	100,000 or more Freddie Mac mortgages
Rank Group 2	Between 20,000 and 99,999 Freddie Mac mortgages
Rank Group 3	Between 10,000 and 19,999 Freddie Mac mortgages
Rank Group 4	Less than 10,000 Freddie Mac mortgages

Servicers in Groups 3 and 4 will be able to view their actual performance and the performance of their synthetic portfolios, as applicable, on the Scorecard. However, they will not receive ranks for individual metrics nor an overall ranking within their rank group in the Default Management category.

After we place you in the appropriate rank group based on total number of mortgages serviced for Freddie Mac, we will apply the methodology outlined in this chapter and rank you against other Servicers in your rank group (in the Default Management category only).

As a reminder, the rank groups will be determined based on portfolio composition parameters chosen by Freddie Mac, and may be amended from time to time.

Ranking Methodology

If you are in Rank Group 1 or Rank Group 2, you will receive a rank for each Default Management metric as well as an overall rank for the Default Management category, subject to certain conditions, as outlined below. The rank you receive indicates how you performed relative to other ranked Servicers within your rank group.

To receive:	
A rank for an individual Default Management performance metric	<ul style="list-style-type: none"> ▪ You must be in one of the first two rank groups listed above (i.e., Rank Group 1 or Rank Group 2), and ▪ Sufficient data must be available to calculate the actual performance of the metric (i.e., you must have at least one loan in the denominator of the metric), and ▪ Your synthetic portfolio's performance for the metric must be applicable in the reporting period (i.e., you must have at least 20 loans that match the parameters for the denominator of the metric).

Changes to the Ranking Methodology

To receive:		
An overall rank for the Default Management category	<ul style="list-style-type: none"> You must be in one of the first two rank groups listed above (i.e., Rank Group 1 or Rank Group 2), and You must have a metric rank for each metric required for your rank group as outlined below: 	
	If you are in:	You must have a rank for:
	Rank Group 1	<ul style="list-style-type: none"> Transition from 30 to 60+ Cure Efficiency Retention Efficiency Liquidation Efficiency 6-Month Modification Performance Total Timeline Trend
Rank Group 2	<ul style="list-style-type: none"> Transition from 30 to 60+ Cure Efficiency Retention Efficiency 	

Servicers who do not have sufficient data to calculate performance or synthetic performance for a given metric are excluded from the ranking for that metric. Servicers who do not receive ranks for every required metric for their rank group are excluded from receiving an overall rank within their rank group.

How Your Rank is Determined for an Individual Metric

The following outlines the high-level steps we perform to calculate your rank for an individual metric:

- We determine if there is sufficient data available to calculate your actual performance and the synthetic portfolio's performance for a given metric.

If:	Then:
There <u>is</u> sufficient data	We proceed to step 2.
There <u>is not</u> sufficient data	You do not receive a ranking for the metric.

- We calculate your actual performance and the synthetic portfolio's performance for the metric.

Changes to the Ranking Methodology

3. We then calculate the percent difference between your actual performance for the metric and your synthetic portfolio's performance for the metric. To do this, we subtract the performance of your synthetic portfolio from your actual performance, and then take that difference and divide it by the performance of the synthetic portfolio.

$$\frac{\text{Your Actual Performance} - \text{Synthetic Portfolio Performance}}{\text{Synthetic Portfolio Performance}} = \% \text{ Difference}$$

Note: To determine ranks, we do not compare one Servicer's performance directly to another Servicer's performance because their portfolios are different. Instead, to minimize differences in portfolio composition, we compare Servicer A's performance relative to Servicer A's synthetic portfolio performance then measure it against Servicer B's performance relative to Servicer B's synthetic portfolio performance. We compare the percent difference between the Servicers' performance and their synthetic portfolio's performance among all ranked Servicers in the same rank group.

Servicers in Groups 3 and 4 will be able to view their actual performance and the performance of their synthetic portfolios, as applicable. However, they will not receive rankings for individual metrics.

4. Based on the results from step 3, we assign a rank that indicates how your performance for the metric compares to how other ranked Servicers within your rank group performed for the same metric. Remember, you are ranked only among other Servicers who also had sufficient data to calculate actual performance and the synthetic portfolio's performance for the same metric. Servicers who do not have sufficient data for a given metric are not included in the ranking for that metric.

Based on your rank for the metric, we determine the number of performance points you earned for the metric.

Changes to the Ranking Methodology

How Your Overall Rank is Determined for the Default Management Category

You will receive an overall rank for the Default Management category if you are in Rank Group 1 or Rank Group 2 and ranks were determined for the metrics identified in the following table.

If you're in the following rank group:	Then:
Rank Group 1	<p>We will determine an overall rank for the Default Management category if ranks were determined for <u>all</u> of the following metrics:</p> <ul style="list-style-type: none"> ▪ Transition from 30 to 60+ ▪ Cure Efficiency ▪ Retention Efficiency ▪ Liquidation Efficiency ▪ 6-Month Modification Performance ▪ Total Timeline Trend
Rank Group 2	<p>We will determine an overall rank for the Default Management category if ranks were determined for <u>all</u> of the following metrics:</p> <ul style="list-style-type: none"> ▪ Transition from 30 to 60+ ▪ Cure Efficiency ▪ Retention Efficiency <p>Note: We will only consider the three metrics listed above when determining the overall rank for the Default Management category for Rank Group 2.</p>
Rank Group 3	You will not receive rankings for individual metrics nor an overall ranking in the Default Management category.
Rank Group 4	

When we determine your overall rank for the Default Management category, we compare the total number of points you earned for each ranked metric (in the table above) to the total number of points you were eligible to earn to determine your percentage of eligible points. The number of eligible points for each ranked metric is equal to that metric's Scorecard weight. We then rank your overall performance (percentage of eligible points) to that of other ranked Servicers within your rank group.

Changes to the Ranking Methodology

Example 1: Servicer in Rank Group 1; Performance Calculated for all Metrics Required for an Overall Rank

In the following example, there was sufficient data to calculate actual performance and the synthetic portfolio's performance for all of the Default Management performance metrics. Therefore, because ranks were determined for all of the appropriate metrics, we calculated an overall rank for the Default Management category for this Servicer.

Metric	Sufficient data available and rank determined?	Points Earned	Eligible Points	Metric Weight
Transition from 30 to 60+	Yes	14.2450	16.6667	16.6667%
Cure Efficiency	Yes	13.2450	16.6667	16.6667%
Retention Efficiency	Yes	12.6580	16.6667	16.6667%
Liquidation Efficiency	Yes	14.3254	16.6667	16.6667%
6-Month Modification Performance	Yes	14.1000	16.6667	16.6667%
Total Timeline Trend	Yes	14.3000	16.6667	16.6667%

Total: 82.8734 100

$$\frac{\text{Points Earned} = 82.8734}{\text{Eligible Points} = 100} = 82.8734 \text{ percent of eligible points earned}$$

To determine the overall rank for this Servicer, the percentage of eligible points earned is compared to the percentage of eligible points earned for other ranked Servicers within the Servicer's rank group.

Changes to the Ranking Methodology

Example 2: Servicer in Rank Group 1; Performance Could Not be Calculated for all Metrics Required for an Overall Rank

In the following example, there was not sufficient data available to calculate actual performance and the synthetic portfolio's performance for the Total Timeline Trend metric. Therefore, because ranks were not determined for all of the appropriate metrics, an overall rank for the Default Management category was not calculated.

Metric	Sufficient data available and rank determined?	Points Earned	Eligible Points	Metric Weight
Transition from 30 to 60+	Yes	Sufficient data was not available to calculate actual performance and the synthetic portfolios' performance for all six Default Management performance metrics. Therefore, an overall rank is not determined.		
Cure Efficiency	Yes			
Retention Efficiency	Yes			
Liquidation Efficiency	Yes			
6-Month Modification Performance	Yes			
Total Timeline Trend	No			



Changes to the Ranking Methodology

Example 3: Servicer in Rank Group 2; Performance Calculated for all Metrics Required for an Overall Rank

In the following example, there was sufficient data available to calculate actual performance and the synthetic portfolio's performance, and therefore determine ranks for all metrics except the Total Timeline Trend metric. However, since this Servicer is in Rank Group 2, only the first three metrics (Transition from 30 to 60+, Cure Efficiency, and Retention Efficiency) are required to determine an overall rank in the Default Management category. Any other metrics with calculable performance are not used to help determine the overall rank.

Metric	Sufficient data available and rank determined?	Points Earned	Eligible Points	Metric Weight
Transition from 30 to 60+	Yes	31.1450	33.3333	33.3333%
Cure Efficiency	Yes	30.2547	33.3333	33.3333%
Retention Efficiency	Yes	29.9990	33.3333	33.3333%
Liquidation Efficiency	Yes	N/A	N/A	N/A
6-Month Modification Performance	Yes	N/A	N/A	N/A
Total Timeline Trend	No	N/A	N/A	N/A
Total:		91.3897	100	

$$\frac{\text{Points Earned} = 91.3897}{\text{Eligible Points} = 100} = 91.3897 \text{ percent of eligible points earned}$$

To determine the overall rank for this Servicer, the percentage of eligible points earned is compared to the percentage of eligible points earned for other ranked Servicers within the Servicer's rank group.

Changes to the Ranking Methodology

Example 4: Servicer in Rank Group 2; Performance Could Not be Calculated for all Metrics Required for an Overall Rank

In the following example, there was not sufficient data available to calculate actual performance and the synthetic portfolio's performance for the Retention Efficiency metric, which is one of the metrics required to have a rank in order to determine an overall rank for the Default Management category for Servicers in Rank Group 2.

Metric	Sufficient data available and rank determined?	Points Earned	Eligible Points	Metric Weight
Transition from 30 to 60+	Yes	Sufficient data was not available to calculate actual performance and the synthetic portfolio's performance for the Transition from 30 to 60+, Cure Efficiency, and the Retention Efficiency metrics. Therefore, an overall rank for the Default Management category is not determined.		
Cure Efficiency	Yes			
Retention Efficiency	No			
Liquidation Efficiency	Yes			
6-Month Modification Performance	Yes			
Total Timeline Trend	Yes			



Changes to the Ranking Methodology

Synthetic Portfolio

The purpose of a synthetic portfolio is to minimize the impact that portfolio composition differences have among Servicers with rankings. In 2016, we created one synthetic portfolio for each Servicer that we would compare to that Servicer's performance for all applicable metrics. For the 2017 Scorecard, we will create one synthetic portfolio for each Default Management performance metric, based on control variables that most impact that specific metric.

There must be a minimum of 20 loans in the denominator to calculate performance for the synthetic portfolio.

The following list identifies all 21 control variables. From this list, we selected the specific control variables that will be used to create each metric's synthetic portfolio.

- Delinquency Status
- Bankruptcy Status
- Previously Modified
- Origination FICO
- Occupancy
- Current LTV
- Loan Origination Year
- State Foreclosure Standard Days
- Total Allowable Delay Days
- Property Type
- HARP
- Total Number of Months in Delinquency Status (Previous 12 Months)
- Maximum Delinquency Months (Previous 12 Months)
- In Deeper Delinquency Status from Prior Cycle
- Current UPB
- Payment Reduction
- Months in Delinquency Status
- Loan Modification Type
- Loan Modification Trial Type
- States
- Loan Product Type

The following table identifies the control variables applicable to each metric when creating its synthetic portfolio.

Metric	Synthetic portfolio created based on the following control variables:
Transition from 30 to 60+	<ul style="list-style-type: none"> ▪ Current LTV ▪ HARP ▪ Loan Origination Year ▪ Loan Product Type ▪ Maximum Delinquency in Previous 12 Months ▪ Previously Modified ▪ States

Changes to the Ranking Methodology

Metric	Synthetic portfolio created based on the following control variables:
Cure Efficiency	<ul style="list-style-type: none"> ▪ Bankruptcy Type ▪ Current LTV ▪ Current UPB ▪ Delinquency Status ▪ Months in Delinquency Status ▪ States
Retention Efficiency	<ul style="list-style-type: none"> ▪ Bankruptcy Type ▪ Current LTV ▪ Delinquency Status ▪ Months in Delinquency Status ▪ Occupancy ▪ Previously Modified ▪ States ▪ Total Number of Months Delinquent Last 12 Months
Liquidation Efficiency	<ul style="list-style-type: none"> ▪ Bankruptcy Type ▪ Current UPB ▪ Delinquency Status ▪ HARP ▪ Months in Delinquency Status ▪ Previously Modified ▪ State FCL Standard Days ▪ States
6-Month Modification Performance	<ul style="list-style-type: none"> ▪ HARP ▪ Modification Type ▪ Months in Delinquency Status ▪ Payment Reduction ▪ States
Total Timeline Trend	<ul style="list-style-type: none"> ▪ Bankruptcy Type ▪ Current UPB ▪ Delinquency Status ▪ HARP ▪ Occupancy ▪ State FCL Standard Days ▪ States

Changes to the Ranking Methodology

Unacceptable Results

We will consider you to have an unacceptable Scorecard result if your overall ranking is in the bottom 25 percent of ranked Servicers within your rank group. However, whether you are in the bottom 25 percent or not, we will consider your Scorecard results, along with other factors, before making a final determination that your overall performance is unacceptable. Such factors include, but are not limited to, the following:

- Portfolio composition
- Concentration of high-risk mortgages
- Servicer Success File Reviews
- Trends in performance
- Adequacy of staffing
- Audit results, and/or compliance with all requirements of the Purchase Documents

Changes to the Ranking Methodology

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