

Freddie Mac Servicing Success Program

Reference Guide

May 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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Freddie Mac Servicing Success Program

1

Introduction

This reference guide introduces and provides information on the Freddie Mac Servicing Success Program – our performance program that defines our expectations of quality and responsible servicing.

If you have any questions after reviewing this publication, refer to *Single-Family Seller/Servicer Guide* (Guide) Sections 3501.1 and 3501.2 for additional information or contact Customer Support (800-FREDDIE).

Freddie Mac Servicing Success Program Components

The Servicing Success Program includes the following components:

- Freddie Mac Servicer Success Scorecard
- Freddie Mac Servicer Success Account Plans
- Freddie Mac Servicer Success File Reviews
- Freddie Mac Servicer Success Rewards and Remedies

Freddie Mac Servicer Success Scorecard

The Scorecard provides you with comprehensive requirements and measurements in multiple categories, and assesses your results in the defined categories each month.

- For Freddie Mac Servicers with mid- to small-size servicing books, your Scorecard contains the measurements accessed each month in the Servicer Performance Profile.
- For Servicers with large servicing books and high volume, your Scorecard includes an additional component of individualized objectives and goals based on your portfolio.

For additional information about the Scorecard, refer to Chapter 2.

Freddie Mac Servicer Success Account Plans

Also for larger-volume Servicers, we provide an Account Plan that

- Sets specific objectives and goals
- Identifies areas where you can work with us to mitigate challenges
- Addresses defined action items you will implement for process improvement

Freddie Mac Servicing Success Program

Freddie Mac Servicer Success File Reviews

The File Reviews identify your servicing performance gaps and trends through assessment of a sampling of your delinquent loan files. This process is designed to help you identify and solve issues that prevent you from achieving top performance.

The following table identifies the types of reviews we may conduct:

Type of File Review	Description
Prudent Servicing Review	An assessment of your collection and loss mitigation activities, timeline management, and property preservation processes
Short Sale Compliance Review	An assessment of your compliance with the requirements of the Guide, and other Purchase Documents, as applicable, regarding completed short sales
Loan Modification Compliance Review	An assessment of your compliance with the requirements of the Guide, and other Purchase Documents, as applicable, regarding completed loan modifications

We will notify you in writing when certain mortgages have been selected for review. Our request will:

- Include the specific Freddie Mac loan numbers associated with the mortgage files selected for review
- Specify the documentation you must include with each type of file
- Provide detailed instructions on how to submit the documents to us

We must receive the requested file documentation within 30 calendar days from the date of the letter requesting the documentation or such other time frame we specify in the request. We may use all documentation you send to us, even if you send documentation that is not required. We may request additional mortgage files or additional documentation during the review. Your failure to submit the requested documentation will be considered a violation of the Purchase Documents, and Freddie Mac will pursue all rights and remedies available under the Purchase Documents and applicable law. Additionally, failure to submit the requested documentation will be considered a file defect and may be considered in determining your overall performance in accordance with Guide Section 3501.2, *Servicer Performance Criteria*.

After we complete the File Review, we will notify you of our conclusions, including any defects, in writing. You may provide us with additional information to consider up to 15 business days after the date of our written conclusions. If an identified defect was the result of a missing or incorrect document, that document may be submitted with your appeal to support clearing the defect. If you failed to submit any documents in response to our initial File Review request on a mortgage, and the overall result is "Fail – Missing Docs," you may not appeal the defect for that mortgage. Freddie Mac's decision on the File Review shall be deemed conclusive and may be considered as a factor in determining your overall performance in accordance with Guide Section 3501.2.

For additional information about File Reviews, refer to Guide Section 3501.1.

Freddie Mac Servicing Success Program

Freddie Mac Servicer Success Rewards and Remedies

The Servicer Success Rewards and Remedies component of the Servicing Success Program is intended to encourage quality servicing performance, recover anticipated and/or actual losses incurred from Servicer errors, and mitigate risks we incur as a result of flawed servicing. For a complete listing of our incentives and compensatory fees, refer to Guide Exhibit 96, *Servicing Incentives and Compensatory Fees*.

Freddie Mac Servicing Success Program

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Access and Navigate Your Servicer Success Scorecard

2

Introduction

The Servicer Success Scorecard is a confidential monthly performance review for all Servicers. It measures your performance based on key criteria in the default management and investor reporting categories. Your Scorecard is available to you by the fifth business day of each month.

System Requirements

The following outlines the minimum and recommended system configuration requirements for access.

	Minimum Configuration	Recommended Configuration
Processor	x64 compatible	
Operating System	Microsoft Windows® 7	
System Memory	2 GB or higher	4 GB or higher
Browser	Windows® Internet Explorer® 11.0 <i>Compatibility view mode must be off.</i>	
Flash Player	Adobe® Flash Player v21	

Scorecard Functionality and this Reference Guide

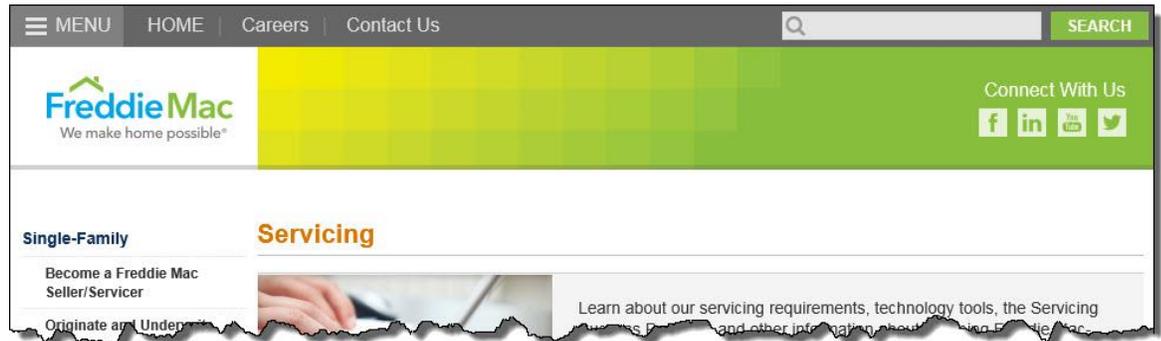
We are continuously enhancing the functionality of the Servicer Success Scorecard. Therefore, at times, you may have functionality available to you on the Scorecard that is not yet documented in this reference guide. If you have questions about available functionality that is not detailed in this publication, contact your Freddie Mac representative or Customer Support (800-FREDDIE). Additionally, remember to visit the [Learning Center](#) on FreddieMac.com frequently to ensure you are viewing the most recent version of this reference guide.

Access and Navigate Your Servicer Success Scorecard

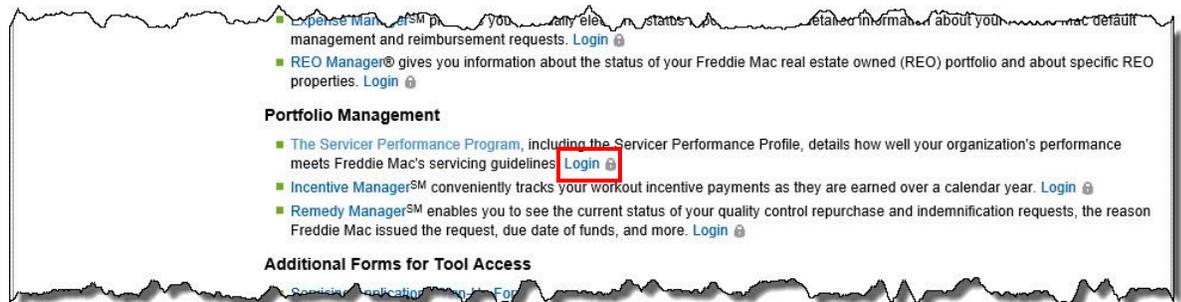
How to Access Your Servicer Success Scorecard

To access your Scorecard, perform the following steps:

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

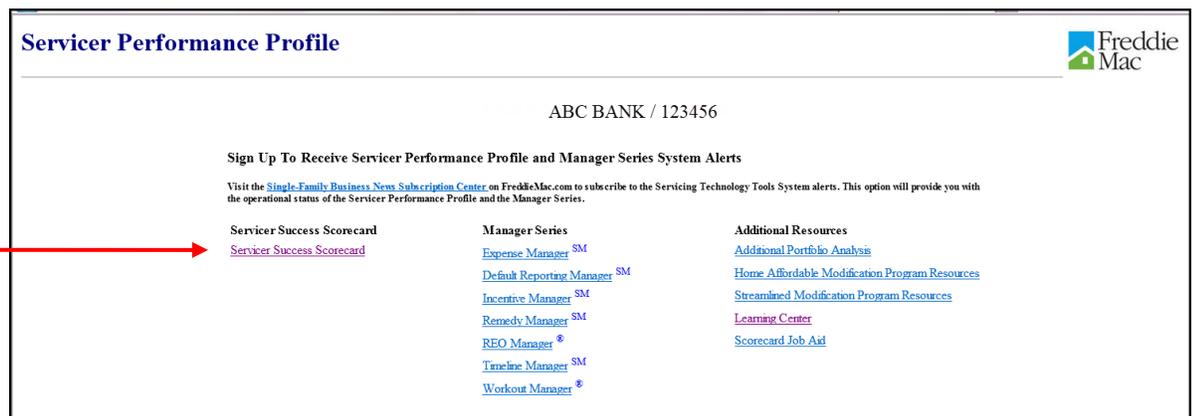


2. Click Login under The Servicer Performance Program and enter your user ID and password when prompted.



The Servicer Performance Profile page displays.

3. Click the Servicer Success Scorecard link to view your Scorecard and access detailed data that supports your performance results.

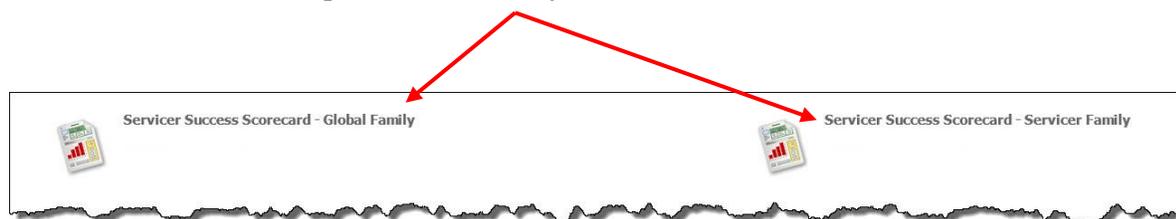


Access and Navigate Your Servicer Success Scorecard

4. Click **Servicer Success Scorecard**.



5. Click the link that corresponds to the data you want to view.



Note: Both the Global Family and Servicer Family selections display unless a Servicer within the Global Family has opted out of receiving Global Family performance data and the Executive Summary Report (ESR). When this occurs, only the Servicer Family selection displays.

Access and Navigate Your Servicer Success Scorecard

Understanding the Global Family and Servicer Family Views

All Servicers have access to the Global Family view and Servicer Family view unless a Servicer has notified us in writing that it does not want to receive access to Global Family performance data in the Global Family Scorecard and the ESR. For additional information, refer to “Executive Summary Report” at the end of this chapter.

Global Family View

The Global Family view displays the aggregated performance data for all affiliates of a Servicer controlled by a common parent entity and the parent itself.

When you log in to the Scorecard, you will see the Global Family and Servicer Family selections unless a Servicer within your Global Family has provided a written request to us to opt out of receiving Global Family performance data and the ESR.

It is important to understand that you log in to the Scorecard at the Servicer Family level. Therefore, if your Servicer Family number is not designated as the parent entity or the “global” Servicer number, and you view performance data at the Global Family level, the Servicer name and Servicer number displayed on the Global Family Scorecard will be that of the parent entity, or global Servicer, not yours.

Servicer Family View

The Servicer Family view displays performance results for a Servicer Family. You may view performance data for an individual Servicing Center or Servicer via the Criteria Detail pages. For additional information, refer to “The Criteria Detail Pages” in this chapter.

Access and Navigate Your Servicer Success Scorecard

Parts of the Scorecard

The Scorecard identifies the criteria we use to measure your performance and reflects your actual performance results, as well as how your results compare to the performance of other Servicers in your peer group.

Your Scorecard is comprised of the following parts:

- Navigation Bar
- Performance Criteria
- Performance Results
- Notes

Global Family
234567: BEST BANK

Reporting as of: Feb 2015

	Weight (%)	Performance	Synthetic Portfolio or Combined Peer	Rank	Percentile
Default Management				26 / 51	50.98%
Loss Mitigation	60%		Synthetic		
1. Transition to 60+	20%	0.2429%	0.3130%	12	76.00%
2. 60 to Worse	10%	46.3074%	30.0839%	47	7.84%
3. 90+ to Worse	5%	58.2485%	55.0797%	30	41.18%
4. Cure Efficiency	10%	17.1736%	21.6331%	46	9.80%
5. Retention Efficiency	10%	5.4582%	4.9833%	22	56.86%
6. Liquidation Efficiency	5%	0.6684%	0.5106%	24	52.94%
Workout Effectiveness	2%		Synthetic		
7. 12-Month Performance	2%	77.1186%	77.0609%	18	57.14%
Default Timeline Management	38%		Synthetic		
8. Avg Age Past FCL Sale Std	20%	433.0312	522.6156	25	50.00%
9. Beyond Timeline Resolution Rate	18%	7.7713%	5.3492%	23	54.90%
Data Integrity	0%		Combined Peer		
10. Initial Delinquency Reporting Edits	0%	0.4251%	1.4132%	4	92.16%
11. Final Delinquency Reporting Edits	0%	0.1063%	0.1400%	30	41.18%
12. Accuracy of DDLPI Reporting	0%	0.0354%	0.1225%	5	90.20%
13. Timely REO Notifications	0%	0.1934	4.9038	13	72.92%
Investor Reporting					
Cash Management			Combined Peer		
14. Shortage Percentage		0.0000%	0.0024%		
Data Integrity & Operational Management			Combined Peer		
15. Percent Hard Rejects Over 90 days old		0.0000%	0.0000%		
16. Percent Soft Rejects Over 90 days old		0.0000%	0.0000%		
17. Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio		0.0368%	0.0167%		
18. Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio		0.0160%	0.0223%		
19. Percent of Ending Hard Rejects to Total Loans in Portfolio		0.0038%	0.0015%		
20. Average Number of Days to Report Payoffs		0.9666	1.0649		
Alternatives to Foreclosure	2015	Forecast			
21. Loan Modifications	716	275			
22. Short Sales / Deeds-in-Lieu	394	83			
23. Repayment Plans	229	58			
Servicer Success File Review Monitoring	Review Cycle	Target	Defect Rate	Rating	
24. Prudent Servicing Review	Jan 2015	5.0000%	3.2100%	On Target	
25. Short Sale Compliance Review	Jan 2015	5.0000%	5.5600%	Below Target	
26. Loan Modification Compliance Review	Jan 2015	3.0000%	6.4900%	Below Target	

Notes

- The overall performance assessment is based on the performance against, and relative weight of, each criterion within the category (applies to 1-20).
- Lower values indicate better performance (applies to: 1, 2, 3, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 24, 25 and 26).
- Higher values indicate better performance (applies to: 4, 5, 6, 7, 9, 21, 22 and 23).
- Hard Rejects - Not cleared in the system and require Servicer intervention to correct (applies to: 15, 17 and 19).
- Soft Rejects - Rejects that were within the tolerance and automatically cleared by the system (applies to: 16 and 18).
- Forecast is comprised of year-to-date performance summed with the projected volumes through the remainder of the year, on a quarterly basis. Performance is the year-to-date volume through the assessment period (applies to: 21, 22 and 23).

Access and Navigate Your Servicer Success Scorecard

Navigation Bar

Use the left navigation bar to toggle between the Global Family and Servicer Family views, and access other tools and information as outlined below.

The navigation bar is a vertical blue sidebar on the right side of the page. It is divided into three main sections: 'Global Family', 'Servicer Family', and 'Other Links'. The 'Global Family' section includes links for 'Overview', 'Executive Summary Report', and 'Supplemental Criteria'. The 'Servicer Family' section includes links for 'Scorecard', 'Overview', and 'Supplemental Criteria'. The 'Other Links' section includes links for 'Freddie Mac Servicing Success Program Reference Guide', 'Servicing Success Program Overview Training', 'Manager Series Reporting', 'Servicing Success Program Overview', 'Freddie Mac Service Loans', 'Freddie Mac Main', and 'What's New'. To the right of the navigation bar is a vertical list of numbers (1 through 27) with corresponding icons, representing a table of contents or a list of items.

Use these links to toggle between the Global Family and Servicer Family views.

- The Scorecard link displays your Servicer Success Scorecard.
- The Overview link displays the Servicer Overview.
- The Executive Summary Report link (available only at the Global Family level) generates and displays your ESR. For additional information, refer to “Executive Summary Report” in this chapter.
- The Supplemental Criteria link provides additional information about your performance. Contact your Freddie Mac representative or 800-FREDDIE if you have questions.

This link provides access to the Freddie Mac Servicing Success Program Reference Guide which includes information on the performance criteria and how to navigate the Scorecard.

This link provides access to the Servicing Success Program page in the Learning Center on FreddieMac.com.

Select this link to access the Servicer Performance Profile page.

Click this link to access the Servicing Success Program page on FreddieMac.com.

Click this link to access the Service Loans application.

This link displays the home page on FreddieMac.com.

Click this link to access the “What’s New” page where you can view a summary of recent changes to the Scorecard.

Access and Navigate Your Servicer Success Scorecard

Performance Criteria

Within each section of the Scorecard, we provide performance results for the various criteria. In some instances, we may not be able to provide performance results for a specific criterion. If a performance result cannot be calculated based on the loan population for a criterion, the field will be blank.

The Scorecard contains the following criteria categories:

- Default Management
- Investor Reporting
- Alternatives to Foreclosure
- Servicer Success File Review Monitoring

Default Management Criteria

The Default Management category includes 13 criteria that focus on measuring loss mitigation, workout effectiveness, default timeline management, and data integrity.

Default Management	
<u>Loss Mitigation</u>	
1.	Transition to 60+
2.	60 to Worse
3.	90+ to Worse
4.	Cure Efficiency
5.	Retention Efficiency
6.	Liquidation Efficiency
<u>Workout Effectiveness</u>	
7.	12-Month Performance
<u>Default Timeline Management</u>	
8.	Avg Age Past FCL Sale Std
9.	Beyond Timeline Resolution Rate
<u>Data Integrity</u>	
10.	Initial Delinquency Reporting Edits
11.	Final Delinquency Reporting Edits
12.	Accuracy of DDLPI Reporting
13.	Timely REO Notifications
Investor Reporting	

Refer to Chapter 4 for detailed information about each of the Default Management criteria.

Access and Navigate Your Servicer Success Scorecard

Investor Reporting Criteria

The Investor Reporting category includes seven criteria that focus on cash management, data integrity, and operational management.

Investor Reporting	
Cash Management	
14.	Shortage Percentage
Data Integrity & Operational Management	
15.	Percent Hard Rejects Over 90 days old
16.	Percent Soft Rejects Over 90 days old
17.	Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio
18.	Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio
19.	Percent of Ending Hard Rejects to Total Loans in Portfolio
20.	Average Number of Days to Report Payoffs
Alternatives to Foreclosure	

Refer to Chapter 3 for detailed information about each of the Investor Reporting criteria.

Alternatives to Foreclosure Criteria

We will track your year-to-date volume for completed loan modifications, Freddie Mac Standard Short Sales and Freddie Mac Standard Deeds-in-Lieu of Foreclosure, as well as repayment plans, and display the results on the Scorecard at the Global Family and Servicer Family levels.

Larger-volume Servicers have specific yearly forecasts for completed loan modifications, Standard Short Sales and Standard Deeds-in-Lieu of Foreclosure, as well as repayment plans. The forecast data displayed is the total volume for the year that Freddie Mac negotiated with your organization, and is shown only on the Global Family Scorecard. The performance displayed reflects the year-to-date volume for the year indicated on the Scorecard, and is shown at the Global Family and Servicer Family levels.

20. Average Number of Days to Report Payoffs		15%	0.9566
Alternatives to Foreclosure		2015	Forecast
21.	Loan Modifications	716	275
22.	Short Sales / Deeds-in-Lieu	394	83
23.	Repayment Plans	229	58
Servicer Success File Review Monitoring		Review Cycle	Target
Prudent Servicer		27	5.0000%
			3.2100%

The current year for which your performance is forecasted and measured.

Forecasts for the current year.

Year-to-date volume for each alternative to foreclosure.

Global Family Scorecard – Larger-Volume Servicers

Access and Navigate Your Servicer Success Scorecard

For all other Servicers, the Forecast column on the Global Family Scorecard will be blank, as shown below.

Global Family Scorecard

20. Average Number of Days to Report Payoffs	15%	0.9886	
Alternatives to Foreclosure	2015	Forecast	
21. Loan Modifications			100
22. Short Sales / Deeds-in-Lieu			50
23. Repayment Plans			35
Servicer Success File Review Monitoring	Review Cycle	Target	Defect Rate
24. Prudent Servicing Review	Jan 2015	5.0000%	3.2100%

For all Servicers, no forecast data displays on the Servicer Family Scorecard.

Servicer Family Scorecard

20. Average Number of Days to Report Payoffs			1.2817
Alternatives to Foreclosure	2015	Forecast	
21. Loan Modifications			275
22. Short Sales / Deeds-in-Lieu			83
23. Repayment Plans			58

Servicer Success File Review Monitoring Criteria

The criteria for the Servicer Success File Review (“File Review”) component of the Servicing Success Program displays on the Scorecard, as shown below, at the Global Family level only. The Servicer Success File Review Monitoring criteria does not display on the Scorecard at the Servicer Family level. Performance results will display in the Defect Rate column 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. For larger-volume Servicers, File Review targets and ratings will also display, as shown below.

- The most recent cycle in which your organization was subject to a File Review.
- Performance targets display for larger-volume Servicers only.
- The performance results (defect rate) for the most recent cycle in which your organization was subject to a File Review.
- Ratings display for larger-volume Servicers only.

Global Family Scorecard – Larger-Volume Servicers

Review Cycle	Target	Defect Rate	Rating
24. Prudent Servicing Review	5.0000%	3.2100%	On Target
25. Short Sale Compliance Review	5.0000%	5.5600%	Below Target
26. Loan Modification Compliance Review	3.0000%	6.4900%	Below Target

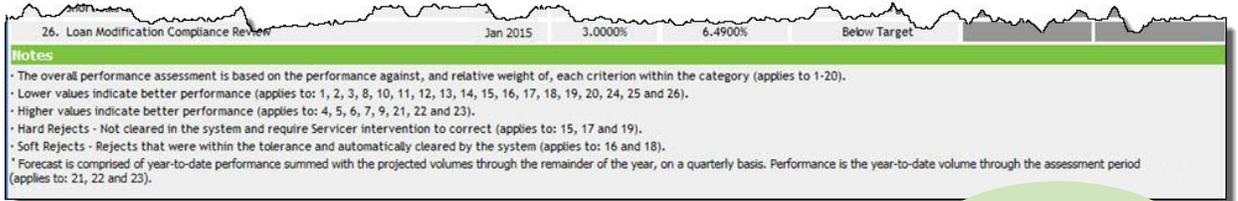
Notes
 overall performance assessment is based on the performance against, and relative weight of, each criterion within the category (applies to 1-20).
 values indicate the performance against the target for each criterion within the category (applies to 1-20).

Refer to *Single-Family Seller/Servicer Guide* (Guide) Section 3501.1 for additional information about File Reviews.

Access and Navigate Your Servicer Success Scorecard

Notes

The bottom of the Scorecard displays important notes related to the performance criteria. Review the footnotes to help ensure a thorough understanding of each criterion.



Notes on Global
Family
Scorecard

Access and Navigate Your Servicer Success Scorecard

Servicer Success Scorecard Example

The following is an example of a Scorecard viewed at the Global Family level.

Global Family		Servicer Success Scorecard				Reporting as of: Feb 2015	
234567: BEST BANK		Weight (%)	Performance	Synthetic Portfolio or Combined Peer	Rank	Percentile	
Global Family	Default Management				26 / 51	50.98%	
Overview	Loss Mitigation	60%		Synthetic			
Executive Summary Report	1. Transition to 60+	20%	0.2429%	0.3130%	12	76.00%	
Supplemental Criteria	2. 60 to Worse	10%	46.3074%	30.0839%	47	7.84%	
	3. 90+ to Worse	5%	58.2485%	55.0797%	30	41.18%	
	4. Cure Efficiency	10%	17.1736%	21.6331%	46	9.80%	
	5. Retention Efficiency	10%	5.4582%	4.9833%	22	56.86%	
Servicer Family	6. Liquidation Efficiency	5%	0.6684%	0.5106%	24	52.94%	
Scorecard	Workout Effectiveness	2%		Synthetic			
Overview	7. 12-Month Performance	2%	77.1186%	77.0609%	18	57.14%	
Supplemental Criteria	Default Timeline Management	38%		Synthetic			
	8. Avg Age Past FCL Sale Std	20%	433.0312	522.6156	25	50.00%	
	9. Beyond Timeline Resolution Rate	18%	7.7713%	5.3492%	23	54.90%	
	Data Integrity	0%		Combined Peer			
Other Links	10. Initial Delinquency Reporting Edits	0%	0.4251%	1.4132%	4	92.16%	
Freddie Mac Servicing Success Program Reference Guide	11. Final Delinquency Reporting Edits	0%	0.1063%	0.1400%	30	41.18%	
Servicing Success Program Overview Training	12. Accuracy of DDLPI Reporting	0%	0.0354%	0.1225%	5	90.20%	
Manager Series Reporting	13. Timely RED Notifications	0%	0.1934	4.9038	13	72.92%	
Servicing Success Program Overview Training	Investor Reporting						
Freddie Mac Service Loans	Cash Management			Combined Peer			
Freddie Mac Main	14. Shortage Percentage		0.0000%	0.0024%			
What's New	Data Integrity & Operational Management			Combined Peer			
	15. Percent Hard Rejects Over 90 days old		0.0000%	0.0000%			
	16. Percent Soft Rejects Over 90 days old		0.0000%	0.0000%			
	17. Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio		0.0368%	0.0167%			
	18. Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio		0.0160%	0.0223%			
	19. Percent of Ending Hard Rejects to Total Loans in Portfolio		0.0038%	0.0015%			
	20. Average Number of Days to Report Payoffs		0.9666	1.0649			
	Alternatives to Foreclosure	2015	Forecast				
	21. Loan Modifications	716	275				
	22. Short Sales / Deeds-in-Lieu	394	83				
	23. Repayment Plans	229	58				
	Servicer Success File Review Monitoring	Review Cycle	Target	Defect Rate	Rating		
	24. Prudent Servicing Review	Jan 2015	5.0000%	3.2100%	On Target		
	25. Short Sale Compliance Review	Jan 2015	5.0000%	5.5600%	Below Target		
	26. Loan Modification Compliance Review	Jan 2015	3.0000%	6.4900%	Below Target		
	Notes						
	<ul style="list-style-type: none"> The overall performance assessment is based on the performance against, and relative weight of, each criterion within the category (applies to 1-20). Lower values indicate better performance (applies to: 1, 2, 3, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 24, 25 and 26). Higher values indicate better performance (applies to: 4, 5, 6, 7, 9, 21, 22 and 23). Hard Rejects - Not cleared in the system and require Servicer intervention to correct (applies to: 15, 17 and 19). Soft Rejects - Rejects that were within the tolerance and automatically cleared by the system (applies to: 16 and 18). Forecast is comprised of year-to-date performance summed with the projected volumes through the remainder of the year, on a quarterly basis. Performance is the year-to-date volume through the assessment period (applies to: 21, 22 and 23). 						

Access and Navigate Your Servicer Success Scorecard

The following table identifies and provides a description for the performance data displayed on the Global Family and Servicer Family Scorecards.

Column	Description
Weight	<p>The weight associated with the individual criterion. Weights are only applicable to the Default Management criteria.</p> <p>The following is also displayed in this column for larger-volume Servicers:</p> <ul style="list-style-type: none"> ▪ Alternatives to Foreclosure Forecast: The current year forecasts for completed loan modifications, Freddie Mac Standard Short Sales and Freddie Mac Standard Deeds-in-Lieu of Foreclosure as well as repayment plans that Freddie Mac negotiated with your organization. Forecasts are shown only on the Global Family Scorecard. The current year's forecasts will change each quarter to reflect actual performance for completed quarters plus the forecasted performance for the remaining quarters. ▪ File Review Monitoring Targets: The targets we have established for File Review performance results. We compare the performance results in the Defect Rate column to these targets to determine the File Reviewing Monitoring rating.
Performance	<p>Your actual performance for each criterion for the current reporting period.</p> <ul style="list-style-type: none"> ▪ For the Alternatives to Foreclosure criteria, the performance reflects the number of loan modifications, Freddie Mac Standard Short Sales and Freddie Mac Standard Deeds-in-Lieu of Foreclosure, and repayment plans completed year-to-date. ▪ For Servicer Success File Review Monitoring, performance is displayed in the Defect Rate column, and reflects the results for the month and year indicated in the Review Cycle column. For larger-volume Servicers, we compare the performance results in this column to the targets to determine the File Review Monitoring rating. <p>In some cases, sufficient data may not be available to calculate performance. If we are unable to calculate performance for a given criterion due to insufficient data, the field will be blank.</p>
Synthetic Portfolio or Combined Peer	<p>The synthetic portfolio or combined peer group performance for the criterion to which your performance was compared for the reporting cycle. For additional information, refer to “What is a Synthetic Portfolio?” and “What is a Combined Peer Group?” in this chapter.</p>

Access and Navigate Your Servicer Success Scorecard

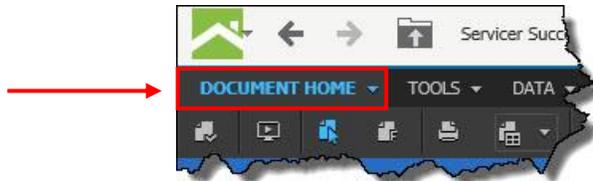
Column	Description
Rank	<p>How your performance compares to the performance of other Servicers within your peer group. If you service fewer than 25 mortgages that are 90+ days delinquent (including foreclosures), you will not be ranked in the Default Management category. The data displayed indicates your rank for the criterion. Lower values indicate better performance. If performance cannot be calculated for a criterion, you will not be ranked for that criterion. Ranks are provided for both the Global Family and Servicer Family views, and are only applicable to the Default Management criteria. Servicers will not be ranked in the Investor Reporting category.</p> <p>For the following Default Management criteria, your rank is determined by comparing your actual performance against the performance of your synthetic portfolio:</p> <ul style="list-style-type: none"> ▪ Transition to 60+ ▪ 60 to Worse ▪ 90+ to Worse ▪ Cure Efficiency ▪ Retention Efficiency ▪ Liquidation Efficiency ▪ 12-Month Performance ▪ Average Age Past Foreclosure Sale Standard ▪ Beyond Timeline Resolution Rate <div style="background-color: #d9ead3; padding: 5px; text-align: center;"> <p>For additional information, refer to “Ranking” in this chapter.</p> </div>
Percentile	<p>Indicates the percent of Servicers who received a rank equal to or below your organization’s rank for the criterion within your peer group. Higher values indicate better performance. Percentiles are only applicable to the Default Management criteria.</p> <p>For example, if you are in the 95th percentile, it means that 95 percent of other Servicers within your peer group ranked for the criterion received a rank equal to or below your rank.</p>

Access and Navigate Your Servicer Success Scorecard

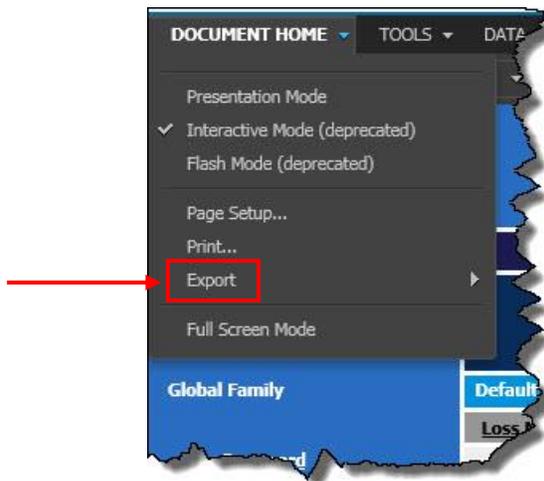
How to Export and Print Your Scorecard

Perform the following steps to export and print the Global Family Scorecard or Servicer Family Scorecard.

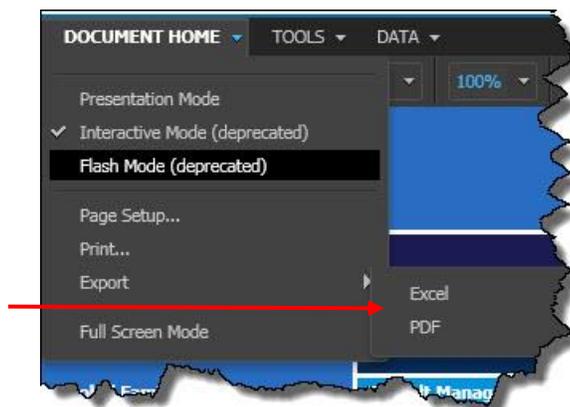
1. Access the Scorecard you want to save and/or print.
2. Select **Document Home** from the menu bar.



3. Select **Export** from the drop-down menu.

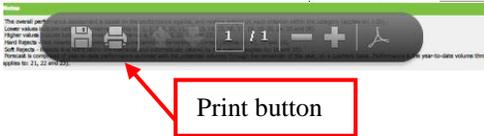


4. Select **Excel** to export the Scorecard to a Microsoft® Excel spreadsheet or **PDF** to export the Scorecard to a portable document file (pdf) file.



Access and Navigate Your Servicer Success Scorecard

5. After you have exported the Scorecard, you may save and/or print it, as needed.

To:	Take the following actions:
Save the Scorecard in Excel	<ol style="list-style-type: none"> 1. Select File, and then Save, from the menu bar. 2. Follow the system prompts to save the Scorecard.
Print the Scorecard in Excel	<ol style="list-style-type: none"> 1. Select File, and then Print, from the menu bar. 2. Follow the system prompts to print the Scorecard.
Save the Scorecard in pdf format	<ol style="list-style-type: none"> 1. Move your cursor to the bottom of the screen to display the toolbar shown below. 2. Click the Save button and follow the prompts to save the Scorecard. 
Print the Scorecard in pdf format	<ol style="list-style-type: none"> 1. Move your cursor to the bottom of the screen to display the toolbar shown below. 2. Click the Print button and follow the prompts to print the Scorecard. 

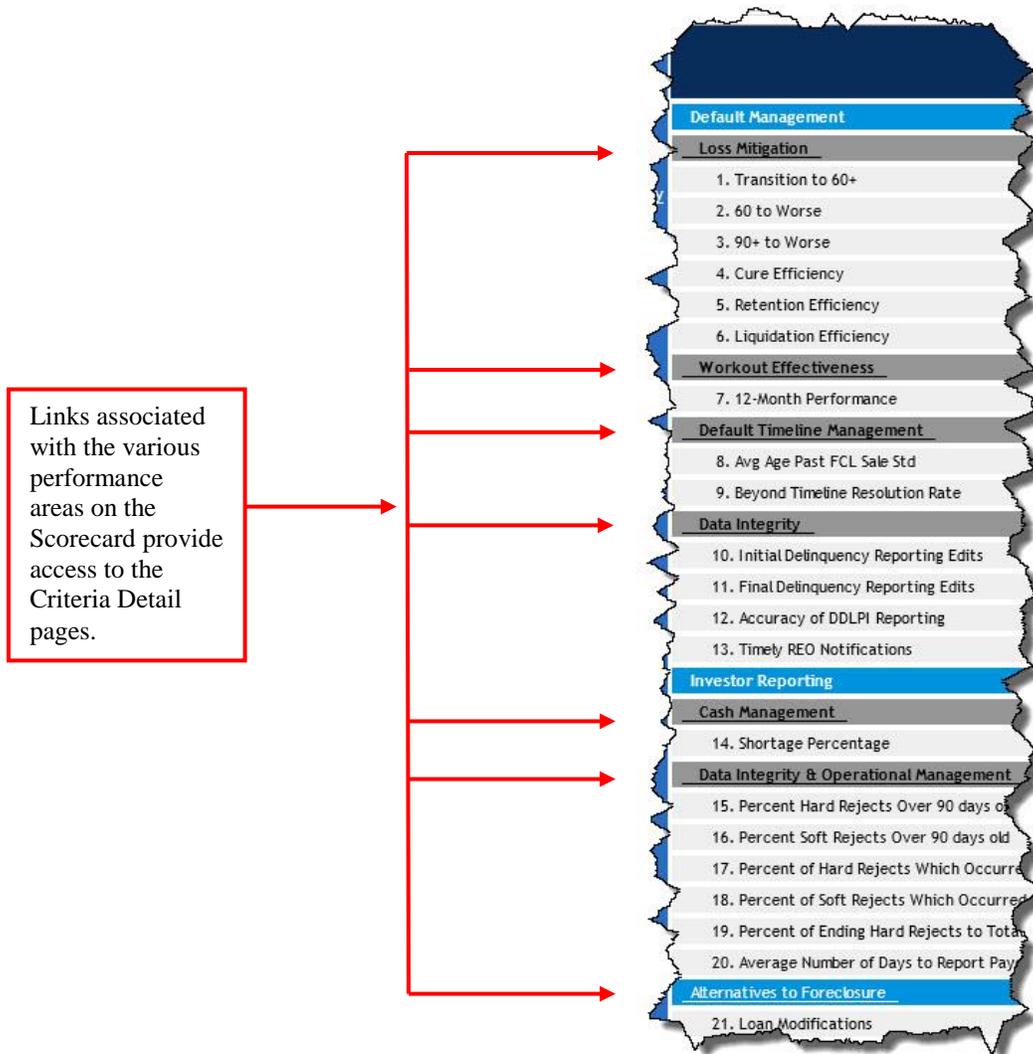
Access and Navigate Your Servicer Success Scorecard

The Criteria Detail Pages

For each criterion on your Scorecard we provide a Criteria Detail page that displays additional data that will help you further understand your performance for the current reporting period and historical performance in the Default Management, Investor Reporting, and Alternatives to Foreclosure categories. The Criteria Detail pages are available at the Global Family and Servicer Family levels. However, links to specific loan-level details from the Criteria Detail pages are available only at the Servicer Family level. Loan-level details are not available at the Global Family level.

How to Access the Criteria Detail Pages

Click the links associated with the performance areas on your Scorecard to access the Criteria Detail pages.

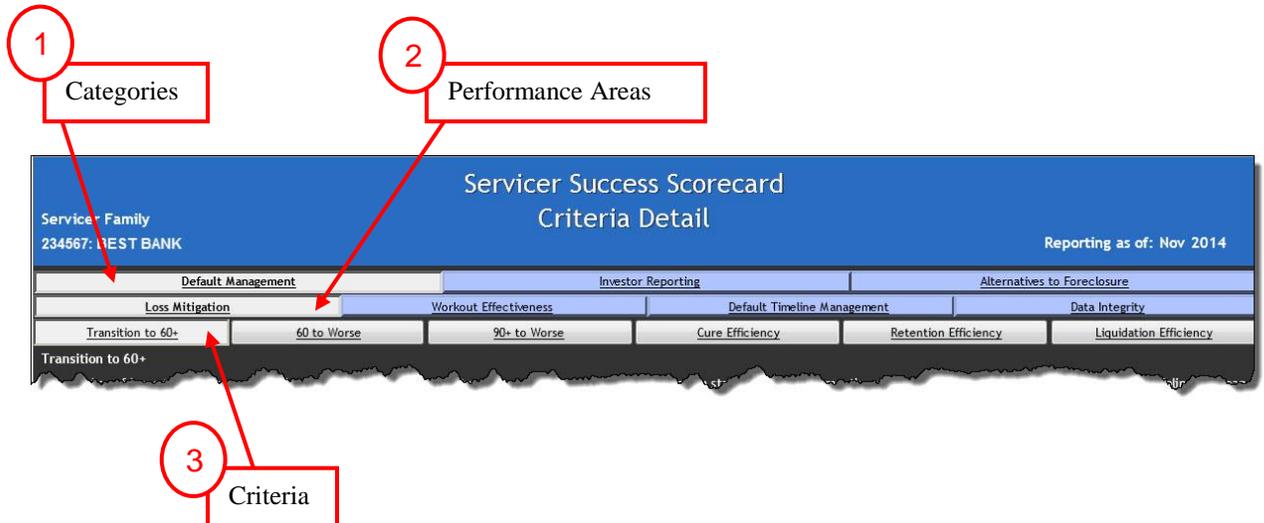


After you access a Criteria Detail page via a link on the Scorecard, you can access other Criteria Detail pages without returning to the Scorecard. For additional information, see “Navigating the Criteria Detail Pages” in this chapter.

Access and Navigate Your Servicer Success Scorecard

Navigating the Criteria Detail Pages

After you access a Criteria Detail page from the Scorecard, use the three rows of tabs at the top to navigate from one page to another. The first row of tabs represents the performance categories on the Scorecard. The category you select in the first row determines the performance areas that display in the second row of tabs. Finally, the performance area selected in the second row determines the criteria displayed in the third row of tabs. From the third row of tabs, select the criterion you want to view.



Note that the Criteria Detail page opens in a separate tab when you access it from the Scorecard. Use the tabs to toggle between the Criteria Detail page and the Scorecard.



Access and Navigate Your Servicer Success Scorecard

Parts of the Criteria Detail Pages

The Criteria Detail pages contain the following for each criterion:

- A description of the criterion
- The criterion performance calculation
- A chart that reflects how you performed relative to nine of your peers
- Performance history for the most recent 12 months
- Servicer performance (Displays only at the Servicer Family level.)

Criterion Description

A brief description of the criterion displays at the top of each Criteria Detail page. For additional information about a specific criterion, refer to Chapter 3, Investor Reporting Criteria or Chapter 4, Default Management Criteria, in this reference guide.



Criterion Performance Calculation

The Criteria Detail pages display the rolling three-month performance calculation and performance result for the selected criterion. Click the links for the numerator and/or denominator to access loan-level detail reports that reflect the individual loans included in the calculation, as well as loans that are excluded. Loan-level detail reports are only available at the Servicer Family level, and in some cases will not be available for the denominator. Links to loan-level detail data are not available when viewing the Criteria Detail pages at the Global Family level. For additional information, refer to “The Loan-Level Detail Reports” and “How to Export Your Loan-Level Detail Data” in this chapter.

Criterion Derivation	Sep 2014	Oct 2014	Nov 2014	
60+ loan count or loss liquidation that transitioned from the denominator pool - Trials initiated during three month reporting period that were 30 days delinquent at time of trial	246	238	291	775
Current [<30 days] loan count + 30 day loan count 3 months prior - Existing trials that are less than or equal to four months old	107,123	106,296	105,681	319,100
				= 0.2429%

This section does not display on the Criteria Detail pages for Alternatives to Foreclosure.

Access and Navigate Your Servicer Success Scorecard

Peer Comparison

The Peer Comparison reflects your rolling three-month performance for the current reporting period compared to that of nine other Servicers that are most like you.

months old are excluded from the denominator.

Peer Comparison

Servicer Family	Nov 2014
Combined Peer	0.4381%
Synthetic	0.3117%
Servicer 9	0.1451%
BEST BANK	0.2429%
Servicer 6	0.2635%
Servicer 7	0.2730%
Servicer 8	0.2775%
Servicer 1	0.3870%
Servicer 2	0.4114%
Servicer 5	0.4583%
Servicer 3	0.4933%
Servicer 4	1.4338%

The “Combined Peer” and “Synthetic” rows do not display for the Peer Comparison on the Criteria Details pages for Alternatives to Foreclosure.

The value displayed for “Combined Peer” reflects the weighted average performance for all nine of your peers for the selected criterion.

The value displayed for “Synthetic Portfolio” reflects the performance of the synthetic portfolio for the selected criterion.

On the Alternatives to Foreclosure Criteria Detail pages, we display your year-to-date performance as of the current reporting period compared to that of nine other Servicers that are most like you.

At the Global Family level, if you are a larger-volume Servicer, we also display the forecast for the current year on the Alternatives to Foreclosure Criteria Detail pages.

Servicer Family	2015
Servicer 1	73
Servicer 4	87
Servicer 6	148
Servicer 9	176
Servicer 5	218
BEST BANK	275
Servicer 8	407
Servicer 2	623
Servicer 3	766
Servicer 7	944

The current year is displayed here.

Access and Navigate Your Servicer Success Scorecard

History – Last 12 Months

At both the Global and Servicer Family levels, the Criteria Detail pages provide a line graph that displays your performance history for the most recent 12 months, as well as the performance history of the synthetic portfolio and combined peer group. On the Alternatives to Foreclosure Criteria Detail pages, note that this section is titled History – Last 4 Quarters and displays a line graph reflecting performance for the most recent four quarters.

A line graph displays performance trends for the most recent 12 months. Position your cursor over each data point on the graph to view additional information about that month's performance.

Data points display only for the months where performance can be calculated. If performance cannot be calculated for a specific month, no data point displays on the graph for that month.



All performance is plotted against the left axis of the graph with the exception of "Percentile." Percentile is plotted against the right axis of the graph. Percentiles are only applicable to the Default Management criteria.

Data Grid

You can view detail data for the individual lines plotted on the graph. To do this, click the Data Grid link located directly below the line graph. For instructions on how to export the information, refer to "How to Export the Data Grids" in this chapter.



Servicer Family		Reporting as of:	Nov 2014												
		Servicing cycle:	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	
234567	BEST BANK	Transition to 60+													
		Performance Rolling 3 Months	0.2606%	0.2520%	0.2261%	0.2120%	0.2090%	0.2094%	0.2134%	0.2067%	0.2173%	0.2226%	0.2300%	0.2429%	
		Combined Peer	0.4179%	0.5399%	0.5167%	0.4718%	0.4214%	0.3922%	0.3949%	0.4137%	0.4393%	0.4484%	0.4430%	0.4381%	
		Synthetic	0.3417%	0.3370%	0.3346%	0.3079%	0.2783%	0.2519%	0.2654%	0.2757%	0.2947%	0.2978%	0.3088%	0.3117%	
		Performance Monthly	0.2443%	0.2308%	0.2031%	0.2020%	0.2219%	0.2045%	0.2137%	0.2019%	0.2365%	0.2296%	0.2239%	0.2754%	
		Percentile	100.00%	100.00%	100.00%	100.00%	100.00%	80.00%	100.00%	100.00%	100.00%	100.00%	100.00%	66.67%	

Each row on the data grid corresponds to a line on the graph.

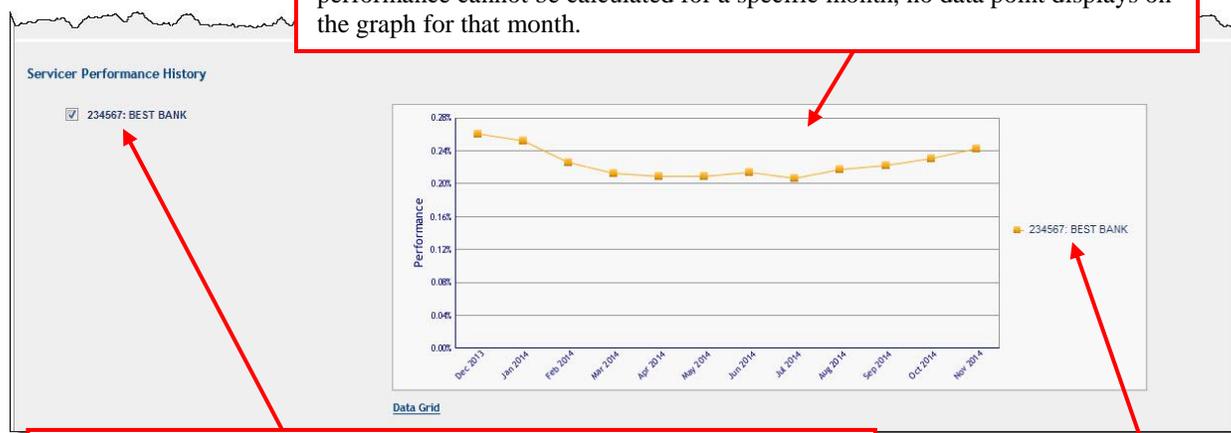
Access and Navigate Your Servicer Success Scorecard

Servicer Performance History

The Servicer Performance History section of the Criteria Detail pages reflects, in line graph format, the rolling three-month performance for the most recent 12 months for all Servicers associated with the Servicing Centers. This information displays only when viewing the Criteria Detail pages at the Servicer Family level, and is not available at the Global Family level.

A line graph displays the performance trend for each individual Servicer for the most recent 12 months. Position your cursor over each data point on the graph to view additional information about that month's performance.

Data points display only for the months where performance can be calculated. If performance cannot be calculated for a specific month, no data point displays on the graph for that month.



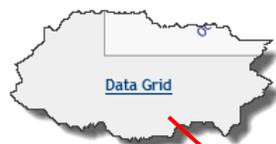
Check boxes allow you to control which Servicer's information displays on the line graph.

When you access the Criteria Detail pages, all boxes are checked and all data for all Servicers displays on the line graph. To remove data for a specific Servicer from the graph, click the check box that corresponds to the Servicer you do not want to view. Click the check box again to display the data for the Servicer.

The key displays only the Servicer(s) currently selected for view on the line graph.

Data Grid

Detail data for Servicer Performance History is also available by clicking the Data Grid link located below the line graph. Each row in the grid reflects an individual Servicer's performance for the selected criterion. For instructions on how to export the information, refer to "How to Export the Data Grids" in this chapter.

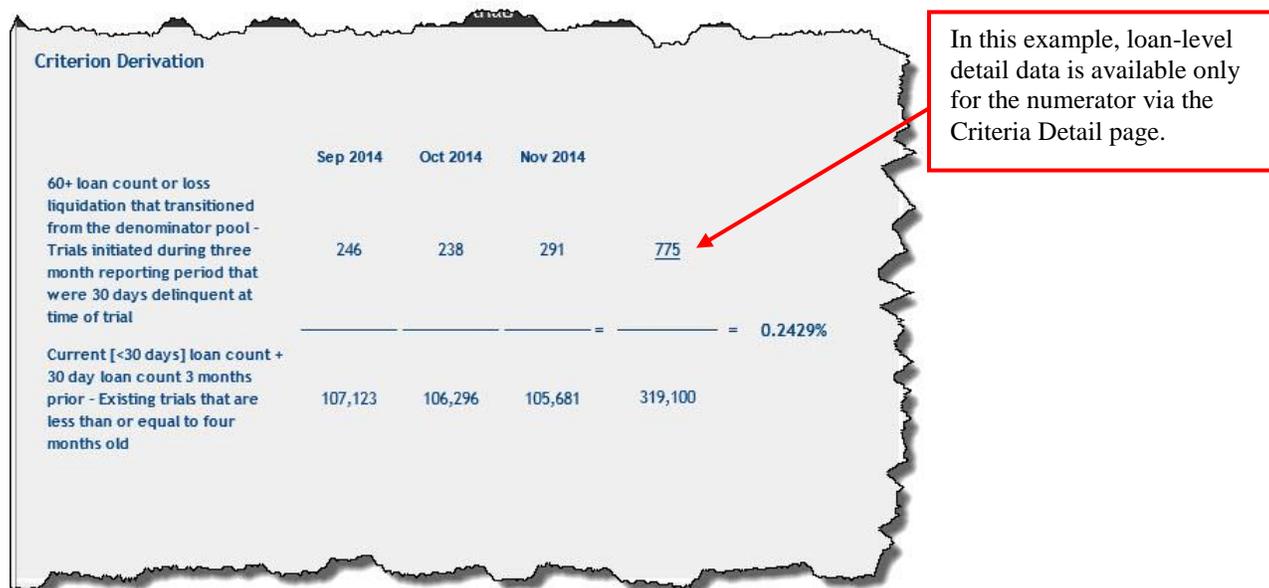


Servicer Family	Servicer	Reporting as of:	Nov 2014													
234567	BEST BANK	234567	BEST BANK	Transition to 60+	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014
					0.2606%	0.2520%	0.2261%	0.2120%	0.2090%	0.2094%	0.2134%	0.2067%	0.2173%	0.2226%	0.2300%	0.2429%

Access and Navigate Your Servicer Success Scorecard

The Loan-Level Detail Reports

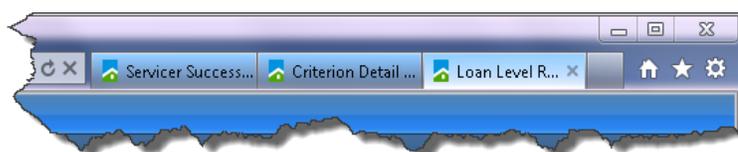
At the Servicer Family level, you can access loan-level detail information by clicking the numerator and/or denominator links available in the performance calculation displayed on the Criteria Detail pages. In some cases, due to the volume of loans associated with a criterion, loan-level detail data is not available for the denominator via the Criteria Detail page. For some criteria where loan-level detail data is not available for the denominator via the Criteria Detail page, you may obtain a report by contacting 800-FREDDIE or your Freddie Mac representative. Refer to the following page for additional information.



The loan-level detail reports provide a breakdown, by reporting cycle, of the loans included in the criterion calculation. The total loan count is also provided for each reporting cycle. In some cases, there may be additional breakdowns to further identify the population of loans included in the calculation. For example, for the Transition to 60+ criterion, the numerator is broken down by 60+ day delinquent loans for the rolling three-month period, and loans that went to a loss liquidation status for the rolling three-month period.

Loans excluded from the calculation are identified in a separate section of the loan-level detail reports.

For easy navigation, the loan-level detail reports open in separate tab which allows quick access back to the Scorecard and Criteria Detail pages.



Access and Navigate Your Servicer Success Scorecard

Availability of Numerator and Denominator Reports

The following outlines the availability of loan-level detail reports for the numerator and denominator for each criterion.

Criteria	Numerator Report	Denominator Report
Loss Mitigation		
Transition to 60+	✓	✓ (Denominator report excludes loans in an active status. Contact 800-FREDDIE or your Freddie Mac representative to obtain this report.)
60 to Worse	✓	✓
90+ to Worse	✓	✓
Cure Efficiency	✓	✓ (Contact 800-FREDDIE or your Freddie Mac representative to obtain this report.)
Retention Efficiency	✓	✓ (Contact 800-FREDDIE or your Freddie Mac representative to obtain this report.)
Liquidation Efficiency	✓	✓ (Contact 800-FREDDIE or your Freddie Mac representative to obtain this report.)
Workout Effectiveness		
12-Month Performance	✓	✓

Access and Navigate Your Servicer Success Scorecard

Criteria	Numerator Report	Denominator Report
Default Timeline Management		
Average of Past Foreclosure Sale Standard	✓	✓ (Contact 800-FREDDIE or your Freddie Mac representative to obtain this report.)
Beyond Timeline Resolution Rate	✓	✓ (Contact 800-FREDDIE or your Freddie Mac representative to obtain this report.)
Data Integrity		
Initial Delinquency Reporting Edits	✓	
Final Delinquency Reporting Edits	✓	
Accuracy of DDLPI Reporting	✓	
Timely REO Notifications	✓	

Investor Reporting Criteria

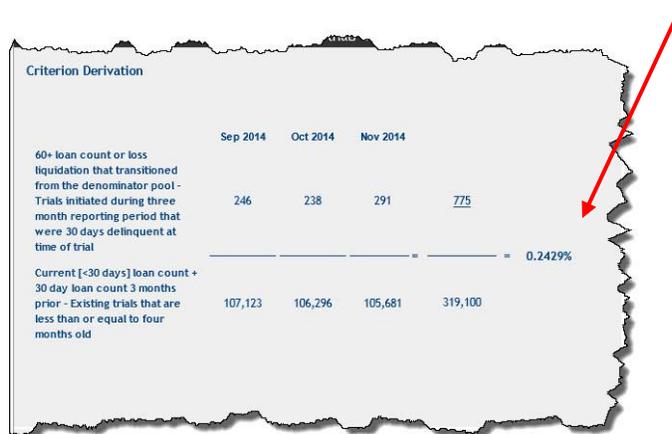
Criteria	Numerator Report	Denominator Report
Cash Management		
Shortage Percentage	✓	
Data Integrity and Operational Management		
Percent Hard Rejects Over 90 Days Old	✓	
Percent Soft Rejects Over 90 Days Old	✓	
Percent Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio	✓	
Percent Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio	✓	
Percent Ending Hard Rejects to Total Loans in Portfolio	✓	
Average Number of Days to Report Payoffs	✓	

Access and Navigate Your Servicer Success Scorecard

How to Export Your Loan-Level Detail Data

Perform the following steps to access and export your loan-level detail data to a Microsoft® Excel spreadsheet:

1. Click the link for the numerator or denominator (if available) that corresponds to the loan-level detail data you want to access.

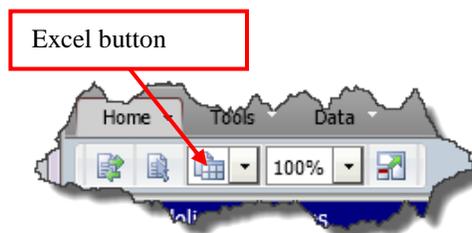


The screenshot shows a table titled 'Criterion Derivation' with columns for 'Sep 2014', 'Oct 2014', and 'Nov 2014'. A red arrow points to a link in the 'Nov 2014' column for the first row.

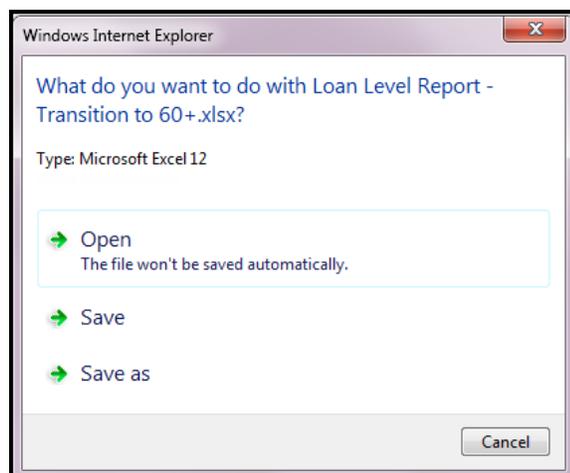
	Sep 2014	Oct 2014	Nov 2014	
60+ loan count or loss liquidation that transitioned from the denominator pool - Trials initiated during three month reporting period that were 30 days delinquent at time of trial	246	238	291	775
				= 0.2429%
Current [<30 days] loan count + 30 day loan count 3 months prior - Existing trials that are less than or equal to four months old	107,123	106,296	105,681	319,100

The loan-level detail data associated with the link you selected displays in your browser.

2. Click the Excel button located near the top of your browser window.



The following displays:

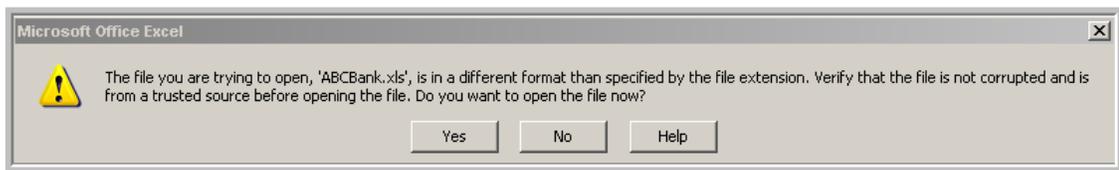


Access and Navigate Your Servicer Success Scorecard

3. Determine how you want to proceed:

If you want to	Then
Open and view the data in an Excel spreadsheet	Select Open . Enter your user ID and password if prompted. The data is exported to an 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 .

Older versions of Excel may display the following message when you open or download the spreadsheet. If you receive this message, click **Yes** to continue.

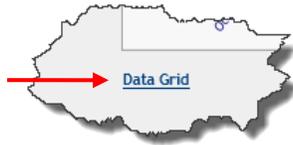


Access and Navigate Your Servicer Success Scorecard

How to Export the Data Grids

Perform the following steps to access and export the data grid to a Microsoft® Excel spreadsheet for History – Last 12 Months and Servicer Performance History:

1. Click the link that corresponds to the data grid you want to export.

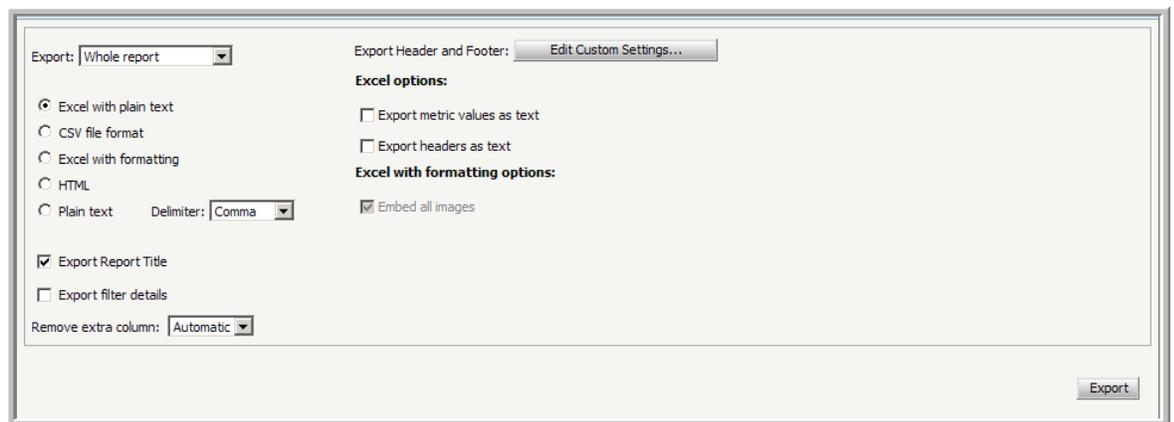


The data grid associated with the link you selected displays in your browser.

2. Click the Export button located near the top of your browser window.



The following displays:

A screenshot of an export options dialog box. The dialog has a title bar and a close button. It contains the following elements:

- Export: Whole report (dropdown menu)
- Export Header and Footer: Edit Custom Settings... (button)
- Excel options:
 - Excel with plain text
 - CSV file format
 - Excel with formatting
 - HTML
 - Plain text Delimiter: Comma (dropdown menu)
- Excel with formatting options:
 - Export metric values as text
 - Export headers as text
 - Embed all images
- Export Report Title
- Export filter details
- Remove extra column: Automatic (dropdown menu)
- Export (button)

Access and Navigate Your Servicer Success Scorecard

3. Select your export options.

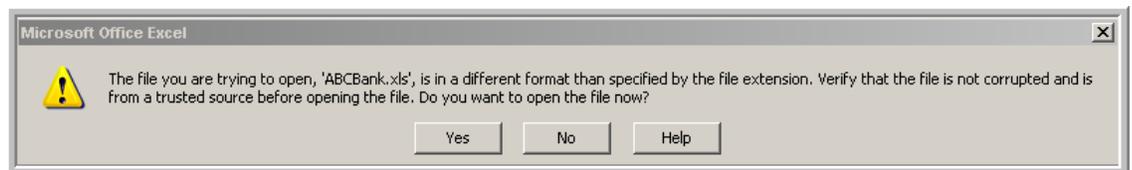
The screenshot shows the export options dialog box with several callout boxes providing instructions:

- Callout 1:** "We recommend you select 'Whole Report' from the pick list." (points to the 'Export: Whole report' dropdown)
- Callout 2:** "Select either 'Excel with Plain Text' or 'Excel with Formatting.'" (points to the radio button options)
- Callout 3:** "Ensure that 'Export Metric Values as Text' and 'Export Headers as Text' are selected." (points to the checked checkboxes under 'Excel options')
- Callout 4:** "Ensure that 'Export Report Title' is checked. Do not select 'Export Filter Details.'" (points to the 'Export Report Title' checkbox and the 'Export filter details' checkbox)
- Callout 5:** "Ensure that 'Automatic' is selected here." (points to the 'Remove extra column: Automatic' dropdown)

4. Click **Export**.

The screenshot shows the same export options dialog box as above, but with the **Export** button at the bottom right highlighted by a red box and a red arrow pointing to it.

The data is exported to an Excel spreadsheet where you may choose to view or download the data as needed. Older versions of Excel may display the following message when you open or download the spreadsheet. If you receive this message, click **Yes** to continue.



Access and Navigate Your Servicer Success Scorecard

Servicer Overview

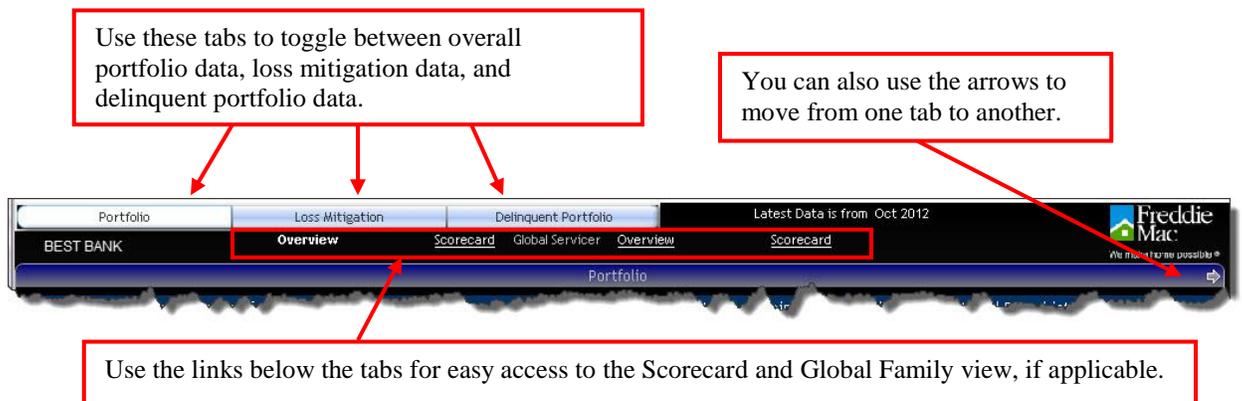
The Servicer Overview, available via the Overview link in the left navigation bar on your Scorecard, provides additional insight and information about your overall portfolio, with specific emphasis on default management activity.

The Servicer Overview is available at the Global Family and Servicer Family levels.

How to Navigate the Servicer Overview

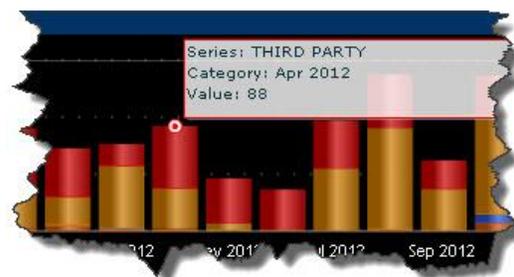
Use the three tabs located at the top of the Servicer Overview to access the following data:

- Overall portfolio composition and trends
- Loss mitigation activity and trends for liquidation and retention options
- Information related specifically to your delinquent portfolio such as roll rate trends, early payment defaults, and more



How to View Specific Data Points on the Graphs

Position your cursor over each point on the graphs to view information about that month's performance.



Access and Navigate Your Servicer Success Scorecard

Understanding the Portfolio Section of the Servicer Overview

The Portfolio section of the Servicer Overview (shown below) provides a high-level view of your overall portfolio composition, and highlights information regarding delinquencies and foreclosure sales.



Portfolio Composition Snapshot

The Portfolio Composition Snapshot provides a breakdown by delinquency status, of your total portfolio unpaid principal balance (UPB) and loan count, as of the current reporting period.

Delinquency Status	CUPB, \$M	CUPB % Total	Loan Count	Loan Count % Total
ACT	\$11,656.44	72.67%	58,306	71.48%
30	\$984.39	6.14%	5,503	6.75%
60	\$510.49	3.18%	2,790	3.42%
90	\$1,036.50	6.46%	5,510	6.76%
FCL	\$1,852.64	11.55%	9,459	11.60%
Total	\$16,040.46	100.00%	81,568	100.00%

Access and Navigate Your Servicer Success Scorecard

Nonperforming Loans, Not Including Foreclosure and REO, History

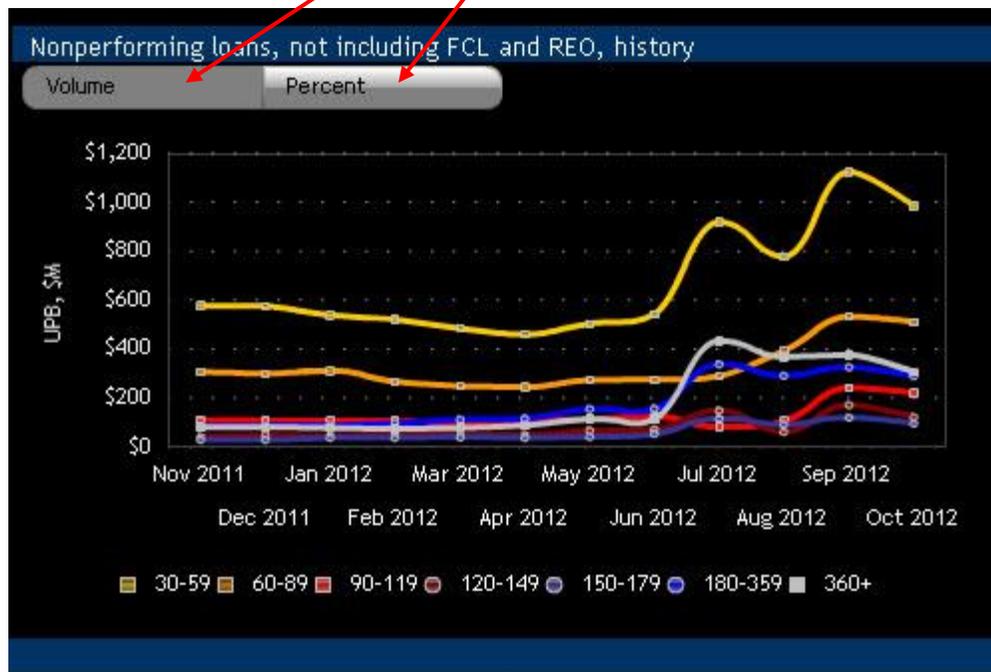
The Nonperforming Loans, Not Including Foreclosure and REO, History provides data regarding the various levels of mortgage delinquency and their associated UPBs for the most recent 12 months. Foreclosure sales and REOs are not included in the delinquent loan populations reflected on the graph.

You can view the delinquency data based on UPB volume or percentage of UPB, as illustrated below.

Volume

The graph defaults to delinquency data based on dollar volume of UPB. To display delinquency data as a percentage of UPB, click Percent.

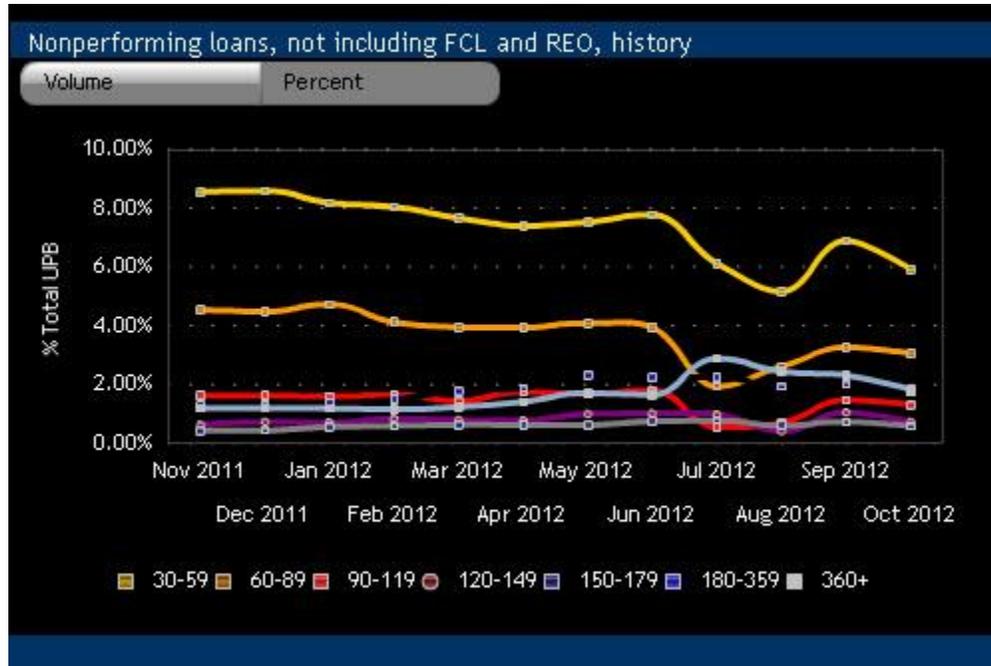
Use the Volume and Percent buttons to toggle between delinquency data based on dollar volume of UPB and delinquency data as a percentage of UPB.



Access and Navigate Your Servicer Success Scorecard

Percent

Below is an example of the graph displaying delinquencies as a percentage of total UPB.



Foreclosure - Top 10 States for Foreclosure Inventory

The Top 10 States for Foreclosure Inventory section of the Servicer Overview displays the 10 states in which you have the highest foreclosure inventory, as of the most recent reporting period. The states are ranked, with a rank of one indicating the state with the highest inventory.

The screenshot shows the 'Foreclosure' section with 'Inventory' selected. The title is 'Top 10 States for FCL Inventory for Oct 2012'. Below is a table of the top 10 states by FCL count.

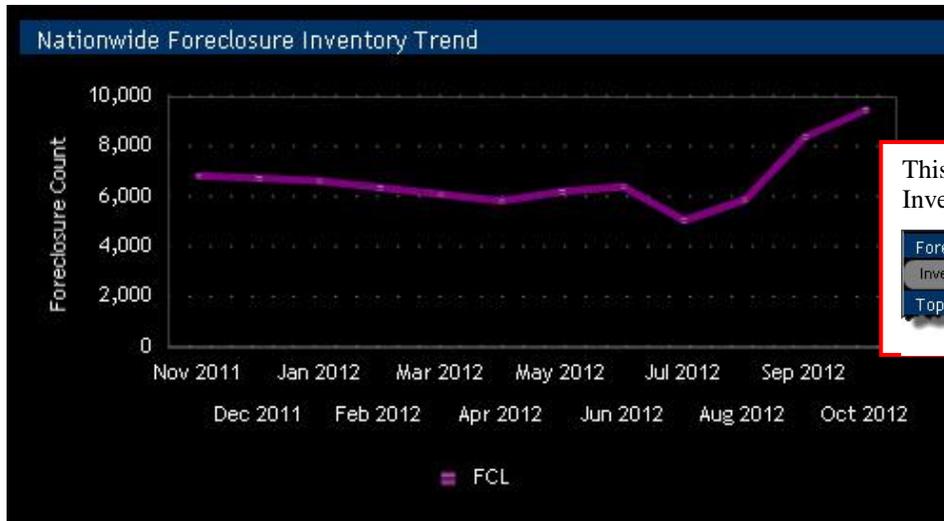
FCL Inventory		
State	Rank	FCL Count
FL	1	2,270
IL	2	804
CA	3	646
MD	4	539
WA	5	507
NV	6	405
GA	7	396
MA	8	369
NJ	9	345
PA	10	238

Use the Inventory and Timelines buttons to toggle between the Top 10 States for Foreclosure Inventory data and the Longest Average Total Timelines, Past 1 Year data.

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Foreclosure - Nationwide Foreclosure Inventory Trend

The Nationwide Foreclosure Inventory Trend graph displays, for the most recent 12 months, your foreclosure inventory volume for all states and territories.



This graph displays when the Inventory button is selected.

Foreclosure - Longest Average Total Timelines (DDLPI to Foreclosure Sale) Past 1 Year

This section of the Servicer Overview displays those states with the highest average foreclosure timelines, as measured from the DDLPI to the foreclosure sale date, for foreclosure sales over the past year.

FCL Timelines		
State	Avg Days	# Fcl Sales
VT	1,273	2
SD	1,198	1
NJ	1,142	1
FL	1,130	127
ME	1,027	15
CT	971	27
WI	870	19
OR	863	6
NM	857	34
IA	847	11

Use the Inventory and Timelines buttons to toggle between the Top 10 States for Foreclosure Inventory data and the Longest Average Total Timelines, Past 1 Year data.

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Foreclosure - Foreclosure Timeline Trends

The Foreclosure Timeline Trends section displays two graphs that reflect activity for the most recent 12 months. One graph displays the average number of days from the DDLPI to foreclosure referral, and the other displays the average number of days from foreclosure referral to foreclosure sale.



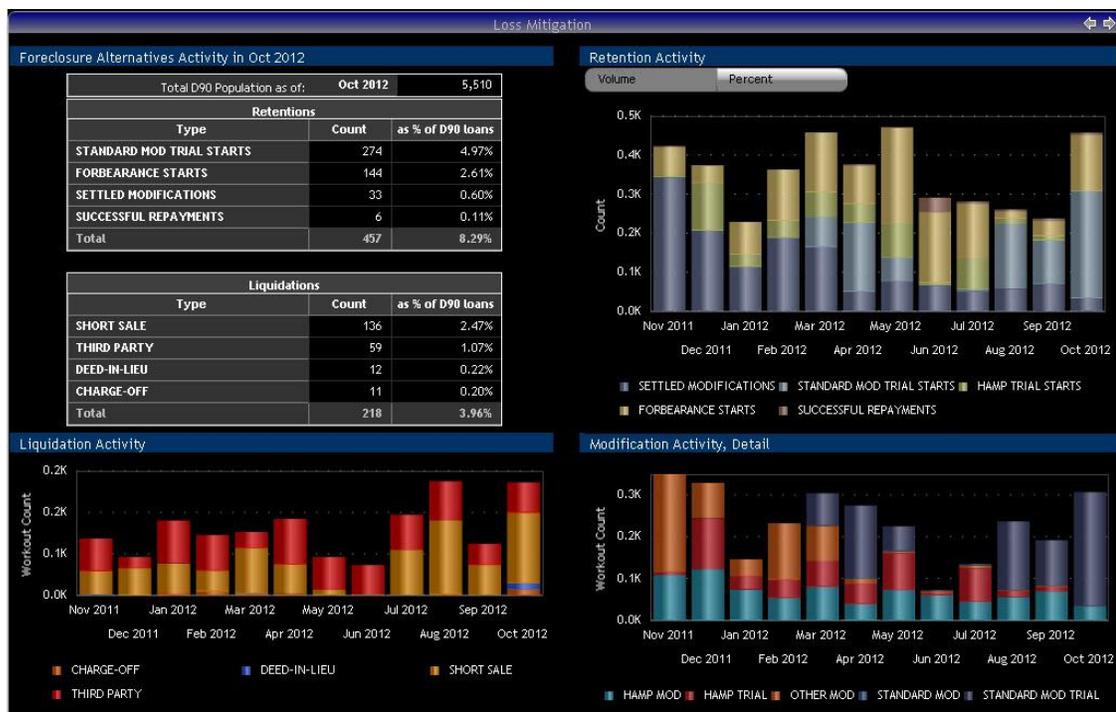
Trends for judicial and non-judicial foreclosure states are displayed on both line graphs.

These graphs display when the Timelines button is selected.



Understanding the Loss Mitigation Section of the Servicer Overview

The Loss Mitigation section of the Servicer Overview (shown below) highlights your workout activity, with specific focus on retention and liquidation options for the current reporting period and for the most recent 12 months.



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Foreclosure Alternatives

This section provides a breakdown, by workout type, of the retention and liquidation activity for the most recent reporting period. Volume as a percentage of 90+-day delinquent loans is also displayed for each workout type.

Foreclosure Alternatives Activity in Oct 2012		
Total D90 Population as of:	Oct 2012	5,510
Retentions		
Type	Count	as % of D90 loans
STANDARD MOD TRIAL STARTS	274	4.97%
FORBEARANCE STARTS	144	2.61%
SETTLED MODIFICATIONS	33	0.60%
SUCCESSFUL REPAYMENTS	6	0.11%
Total	457	8.29%
Liquidations		
Type	Count	as % of D90 loans
SHORT SALE	136	2.47%
THIRD PARTY	59	1.07%
DEED-IN-LIEU	12	0.22%
CHARGE-OFF	11	0.20%
Total	218	3.96%

Only workout activity applicable to the most recent reporting period displays. For example, if you did not settle any modifications, “Settled Modifications” will not display in the retention option table.

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Retention Activity

This graph provides a breakdown of the retention activity each month for the most recent 12 months.

Volume

The graph defaults to dollar volume of retention activity. To display retention activity as a percentage of 90+ day delinquencies, click Percent.

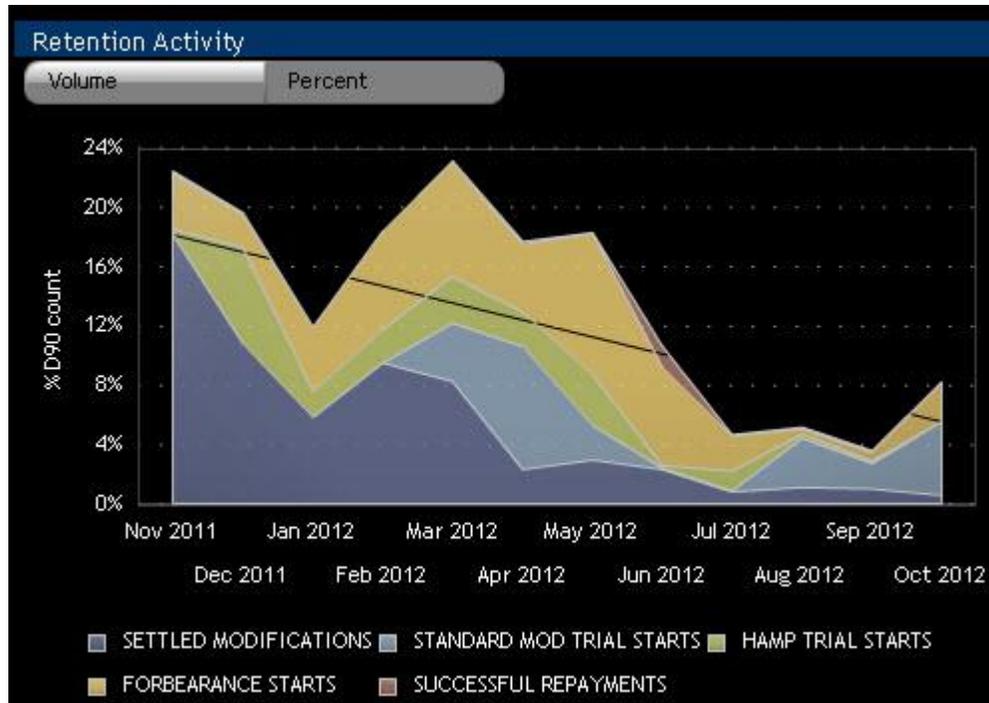
Use the Volume and Percent buttons to toggle between dollar volume of retention activity and retention activity as a percentage of 90+ day delinquencies.



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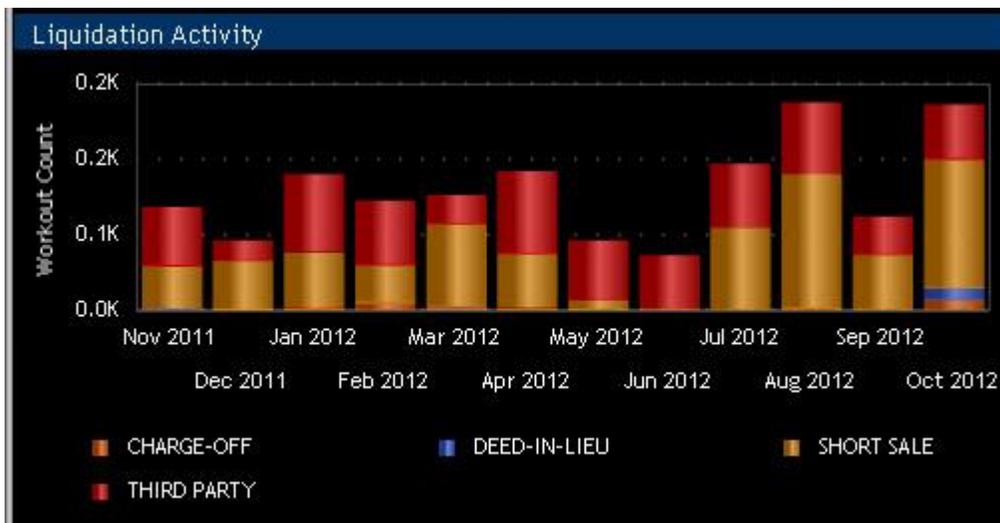
Percent

Below is an example of the graph displaying retention activity as a percentage of 90+ day delinquencies.



Liquidation Activity

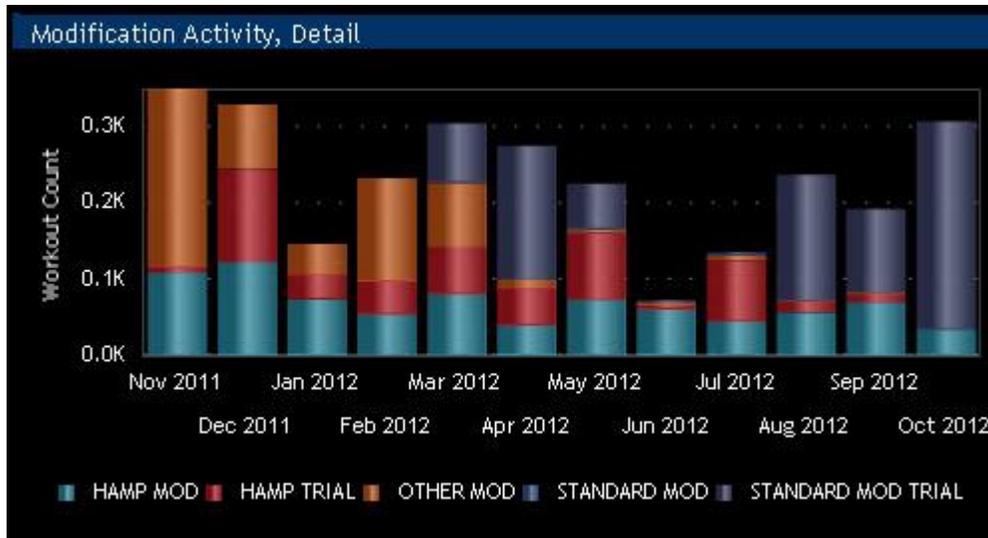
This graph provides a breakdown of liquidation options that settled each month for the most recent 12 months.



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Modification Activity Detail

This bar graph provides a breakdown of the modification activity each month, by modification type, for the most recent 12 months.



Understanding the Delinquent Portfolio Section of the Servicer Overview

The Delinquent Portfolio section of the Servicer Overview (shown below) highlights your portfolio's roll rate trends, early payment default activity, and more.



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Roll Rate Trends

Roll Rate Trends provide insight as to how effectively you manage your delinquencies. The one-month and three-month roll rate graphs display your delinquency trends for the most recent 12 months.

One Month View

The One Month view displays, based on the loan status you select, the one-month roll rate for each of the most recent 12 months.



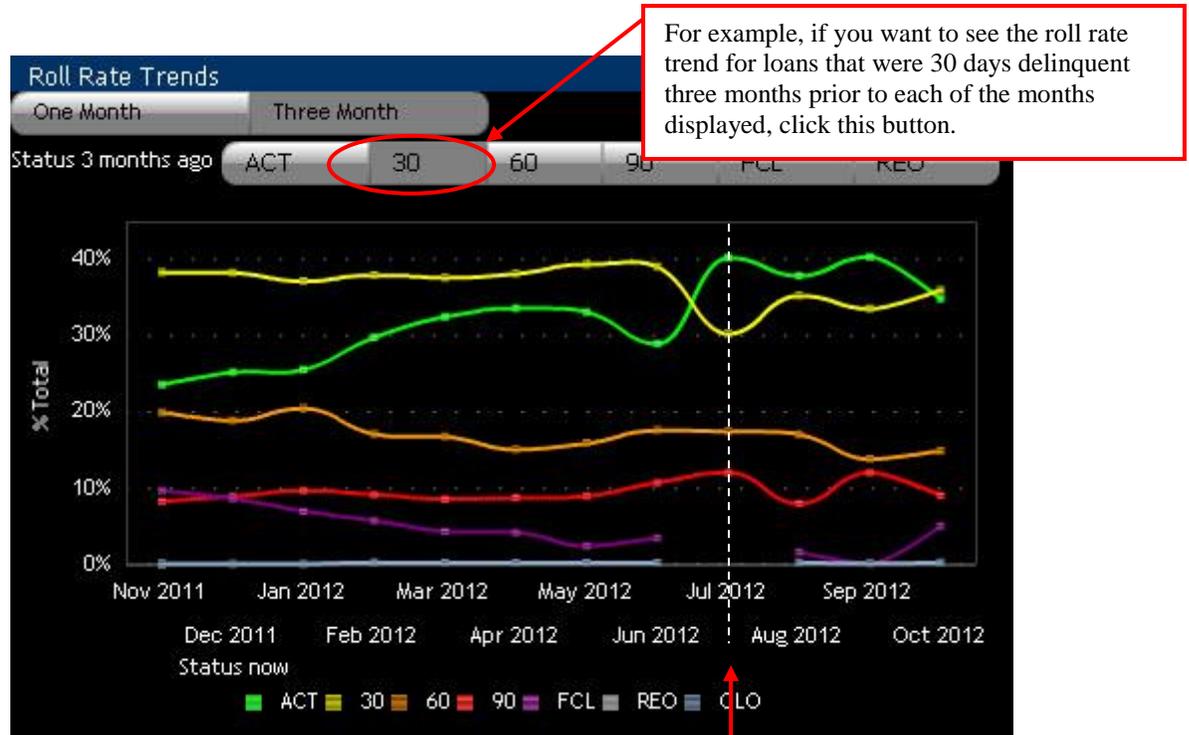
For example, if you want to see where the 30-day delinquent population of loans for June 2012 was in July 2012, select 30 as the “status one month ago.” Then look at the distribution of loans for July 2012. You can see that some loans remained 30 days delinquent, some became active (current), and some transitioned to 60-day delinquencies.

Position your cursor over each data point for July to view the percentage for each status.

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Three Month View

The Three Month view displays, based on the loan status you select, the three-month roll rate for each of the most recent 12 months.



For example, if you want to see where the 30-day delinquent population of loans for April 2012 was in July 2012, select 30 as the “status 3 months ago.” Then look at the distribution of loans for July 2012. You can see that some loans are still 30 days delinquent, some are now active (current), and some transitioned to 60-day and 90-day delinquencies.

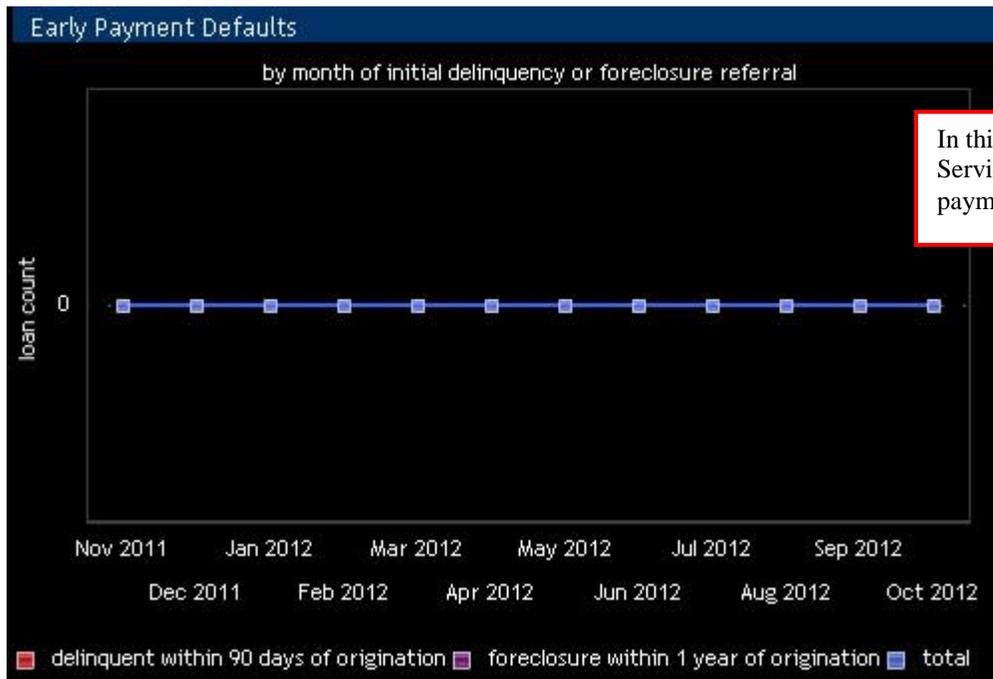
Position your cursor over each data point for July to view the percentage for each status.

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Early Payment Defaults

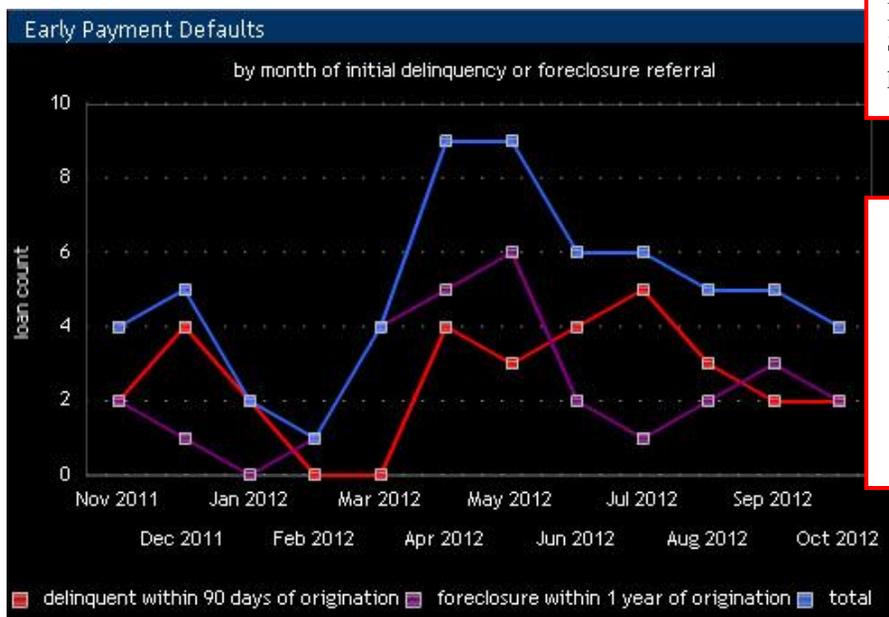
For the most recent 12 months, the Early Payment Defaults graph displays the number of loans that:

- Became delinquent within 90 days of origination
- Were referred to foreclosure within one year of origination



In this example, the Servicer had no early payment defaults.

Note that the “delinquent within 90 days of origination” population is not included in the “foreclosure within one year of origination” population.



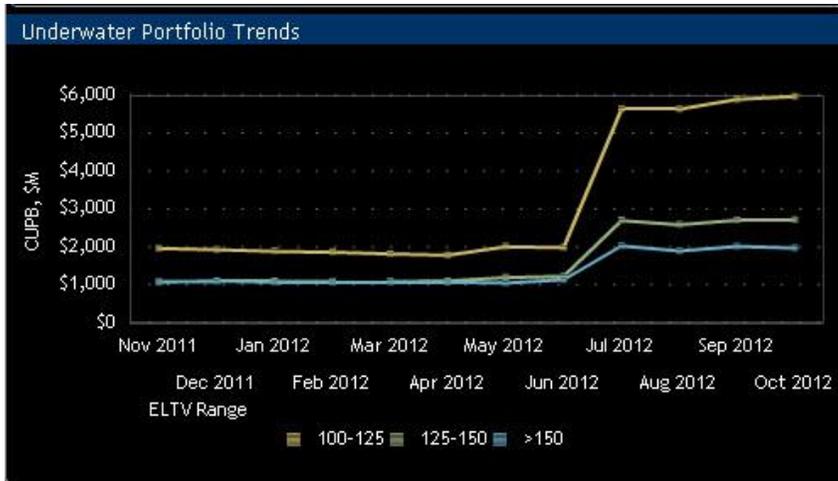
In this example, the Servicer did have early payment defaults.

Delinquent within 90 days of origination population + Foreclosure within one year of origination population = Total

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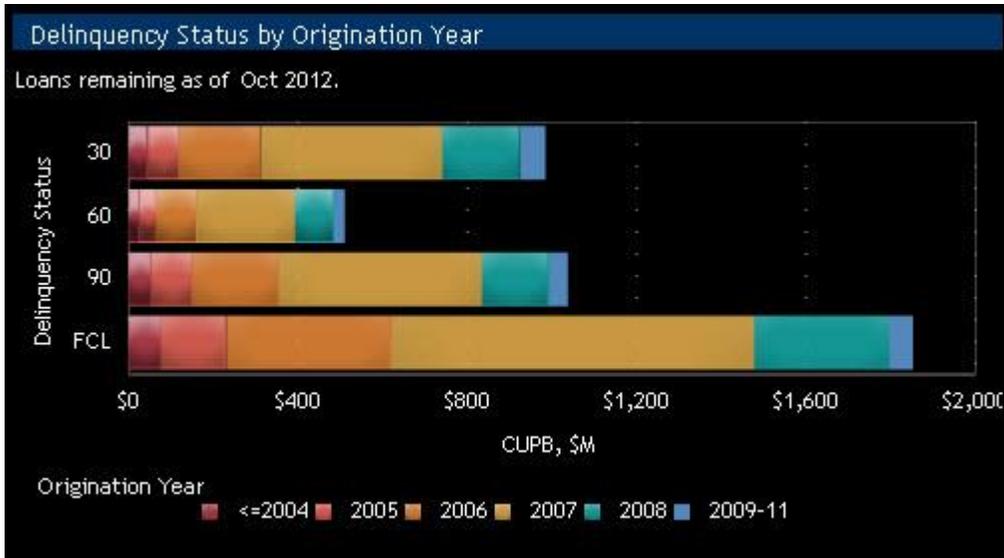
Underwater Portfolio Trends

Underwater Portfolio Trends provides a breakdown of your total portfolio UPB by estimated loan-to-value (LTV) for the most recent 12 months.



Delinquency Status by Origination Year

This section provides, by delinquency status, a breakdown of the current delinquent UPB of your portfolio by year of origination, as of the most recent reporting period.



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Ranking

Servicers will be placed into peer groups at both the Global Family and Servicer Family levels based on similarities in their portfolio composition and will be ranked within their peer groups in the Default Management category only. Servicers will not be ranked in the Investor Reporting category. As a result, your peer group determination may differ between your Global Family and Servicer Family levels. The peer groups will be determined based on portfolio composition parameters chosen by Freddie Mac, and may be amended from time to time.

The peer groups effective January 1, 2015 are:

- Top 10 Servicers as determined by the total number of mortgages serviced for Freddie Mac
- Servicers servicing 25 or more mortgages for Freddie Mac that are 90 or more days delinquent or in foreclosure and that are not in the previous peer group
- Remaining Servicers that are not in the above two peer groups (Note that Servicers in this group will not be ranked in the Default Management or Investor Reporting categories.)

After we place you in the appropriate peer group based on your portfolio composition, we will apply the methodology outlined in this chapter and rank you against other Servicers in your peer group (in the Default Management category only).

If you are in one of first 2 peer groups listed above, you will receive a rank for each Default Management criterion (if performance can be calculated), as well as an overall rank for the Default Management category, as outlined below. The rank you receive indicates how you performed relative to other Servicers within your peer group.

To receive:	
A rank for a Default Management criterion	<ul style="list-style-type: none">▪ You must be in one of the first two peer groups listed above (i.e., either be a top 10 Servicer as determined by the total number of mortgages serviced for Freddie Mac or service a minimum of 25 mortgages that are 90+ days delinquent), and▪ Sufficient data must be available to calculate the performance for the criterion.
An overall rank for the Default Management category	<ul style="list-style-type: none">▪ You must be in one of the first 2 peer groups listed above (i.e., either be a top 10 Servicer as determined by the total number of mortgages serviced for Freddie Mac or service a minimum of 25 mortgages that are 90+ days delinquent), and▪ Sufficient data must be available to calculate the performance for at least one of the individual criterion.

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For each individual criterion, you are ranked only among other Servicers who also had sufficient data to calculate performance for the same criterion. Servicers who do not have sufficient data to calculate performance for a given criterion are not included in the ranking for that criterion.

How Your Rank is Determined for an Individual Default Management Criterion

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

1. We determine if there is sufficient data available to calculate your performance for a given criterion.

If	Then
There is sufficient data to calculate your performance	We proceed to Step 2.
There is not sufficient data to calculate your performance	We do not calculate your performance and you do not receive a ranking for the criterion.

2. We calculate your actual performance for the criterion.

If we are determining the rank for	Then
One of the following criteria: <ul style="list-style-type: none"> ▪ Transition to 60+ ▪ 60 to Worse ▪ 90+ to Worse ▪ Cure Efficiency ▪ Retention Efficiency ▪ Liquidation Efficiency ▪ 12-Month Performance ▪ Average Age Past Foreclosure Sale Standard ▪ Beyond Timeline Resolution Rate 	We compare your actual performance to the performance of the synthetic portfolio, and then proceed to Step 3. 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 magnitude of the difference between the Servicers' performance and their synthetic portfolio's performance among all Servicers in the same peer group.
Any other criteria	We proceed to Step 3.

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3. Based on the results from Step 2, we assign a rank that indicates how your performance for the criterion compares to how other Servicers within your peer group performed for the same criterion. Remember, you are ranked only among other Servicers who also had sufficient data to calculate performance for the same criterion. Servicers who do not have sufficient data to calculate performance for a given criterion are not included in the ranking for that criterion.

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

How Your Overall Rank is Determined for the Default Management Category

When we determine your overall rank for the Default Management category, we compare the total number of points you earned in the category 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 criterion is equal to that criterion's Scorecard weight. We then rank your overall performance (percentage of eligible points) to that of other Servicers within your peer group for whom we were able to calculate performance.

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Example 1: Overall Rank for the Default Management Category

In the following example, there was sufficient data to calculate performance for all criteria for this Servicer.

Criterion	Sufficient data available to calculate performance?	Points Earned	Eligible Points	Criterion Weight
Transition to 60+	Yes	11	20	20%
60 to Worse	Yes	8	10	10%
90+ to Worse	Yes	4	5	5%
Cure Efficiency	Yes	8	10	10%
Retention Efficiency	Yes	8	10	10%
Liquidation Efficiency	Yes	4	5	5%
12-Month Performance	Yes	1	2	2%
Average Age Past Foreclosure Sale Standard	Yes	15	20	20%
Beyond Timeline Resolution Rate	Yes	13	18	18%
Initial Delinquency Reporting Edits	Yes	0	0	0%
Final Delinquency Reporting Edits	Yes	0	0	0%
Accuracy of DDLPI Reporting	Yes	0	0	0%
Timely REO Notifications	Yes	0	0	0%

Total: 72 100

$$\frac{\text{Points Earned} = 72}{\text{Eligible Points} = 100} = 72.0000 \text{ percent of eligible points earned}$$

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

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Example 2: Overall Rank for the Default Management Category

In the following example, there was insufficient data to calculate the Transition to 60+ criterion performance for this Servicer. Therefore, no performance was calculated and the Servicer was not eligible to earn any points for that criterion.

Criterion	Sufficient data available to calculate performance?	Points Earned	Eligible Points	Criterion Weight
Transition to 60+	No	0	0	20%
60 to Worse	Yes	8	10	10%
90+ to Worse	Yes	4	5	5%
Cure Efficiency	Yes	8	10	10%
Retention Efficiency	Yes	8	10	10%
Liquidation Efficiency	Yes	4	5	5%
12-Month Performance	Yes	1	2	2%
Average Age Past Foreclosure Sale Standard	Yes	15	20	20%
Beyond Timeline Resolution Rate	Yes	13	18	18%
Initial Delinquency Reporting Edits	Yes	0	0	0%
Final Delinquency Reporting Edits	Yes	0	0	0%
Accuracy of DDLPI Reporting	Yes	0	0	0%
Timely REO Notifications	Yes	0	0	0%

Total: 61 80

$$\frac{\text{Points Earned} = 61}{\text{Eligible Points} = 80} = 76.2500 \text{ percent of eligible points earned}$$

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

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What is a Synthetic Portfolio?

We create a synthetic portfolio for each Servicer that matches the composition of the Servicer's Freddie Mac portfolio based on key characteristics such as the following:

- Delinquency status
- Geographic location
- Current loan to value
- Mortgage purpose
- Trial Modification
- Year of origination
- Within Allowable Foreclosure Timeline
- Occupancy status
- Previously Modified
- Bankruptcies

The purpose of the synthetic portfolio is to minimize the impact that portfolio composition differences among Servicers have on rankings.

Your rankings for the following Default Management criteria are based on your performance compared to the performance of the synthetic portfolio:

- Transition to 60+
- 60 to Worse
- 90+ to Worse
- Cure Efficiency
- Retention Efficiency
- Liquidation Efficiency
- Average Age Past Foreclosure Sale Standard
- Beyond Timeline Resolution Rate
- 12-Month Performance (Note: Your performance for this criterion is compared to a synthetic portfolio that is specifically generated for this criterion; it is different from the synthetic portfolio used with the other above criteria.)

What is a Combined Peer Group?

The combined peer group is an aggregate view of institutions that service Freddie Mac loans that are similar to the Servicer being measured. Other Servicers of Freddie Mac loans are compared to the Servicer being measured and the most similar institutions are selected to form the combined peer group. The selection of these Servicers does not control for portfolio composition similarity at the loan level, but at the aggregate level across various mortgage characteristics.

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Unacceptable Results

We will consider you to have an unacceptable Scorecard result if your ranking in the Default Management category is in the bottom 25 percent of ranked Servicers in your peer 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:

- File Reviews
- Trends in performance
- Adequacy of staffing
- Audit results, and/or compliance with all requirements of the Purchase Documents

For additional information, refer to Guide Section 3501.2.

Executive Summary Report

Freddie Mac provides aggregated Global Family performance data and Executive Summary Reports (ESRs) to all Servicers, unless a Servicer notifies Freddie Mac that it does not wish to receive access to Global Family performance data in the Global Family Scorecard and the ESR.

If a Servicer does not wish to receive access to the Global Family performance data in the Global Family Scorecard and the ESR, an officer or individual with appropriate corporate authority must provide a written request to their Freddie Mac representative. If one Servicer in a Global Family opts out of receipt of the Global Family performance data, then the ESR and Global Family Scorecard will not be available to the Servicer or any other members of the Global Family. If a Servicer wishes to change its access in the future, the Servicer may request access or opt out by providing a written request to their Freddie Mac representative. At least seven business days are required to process the request. Note: If a new Servicer Family is added to the Global Family in the future, such Servicer Family's data will be included with the Global Family Scorecard and ESR unless Freddie Mac is notified otherwise.

The ESR provides the following information:

- A current month snapshot of the portfolio composition, which includes, but is not limited to the following:
 - Unpaid principal balance
 - Mortgage count
 - Number of delinquent mortgages

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- Charts comparing your performance against the performance of nine other unidentified Servicers that are servicing mortgages with similar attributes and a similar portfolio size for each Scorecard criterion in the Default Management and Investor Reporting categories
- Additional reports that compare your performance against our state foreclosure timeline standards and pull through rates for various workouts.

How to Generate Your ESR

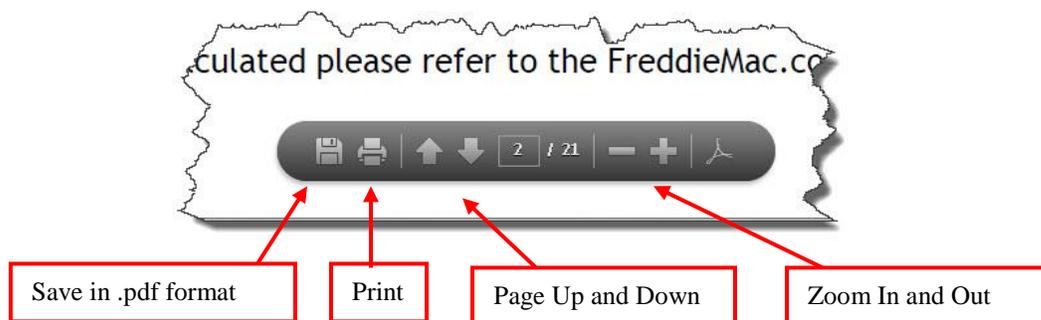
You can generate your ESR directly from your Scorecard. To do this, click the Executive Summary Report link on the left navigation bar.



Because the ESR is based upon the aggregated performance data of your Global Family, the Executive Summary Report link is available for selection at the Global Family level only.

How to Print and Save Your ESR

After the ESR displays, move your cursor to the bottom of the screen to display the toolbar. From this toolbar, you can save the ESR as a .pdf file, print, page up and down, and zoom in and out.



Investor Reporting Criteria

3

Introduction

The following table identifies the Investor Reporting criteria:

Criteria	Weights
a. Cash Management	
1. Shortage Percentage.....	N/A
b. Data Integrity and Operational Management	
2. Percent of Hard Rejects Over 90 Days Old	N/A
3. Percent of Soft Rejects Over 90 Days Old	N/A
4. Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio	N/A
5. Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio	N/A
6. Percent of Ending Hard Rejects to Total Loans in Portfolio	N/A
7. Average Number of Days to Report Payoffs	N/A

Unlike the Default Management criteria, the Investor Reporting criteria have no associated weights. Therefore, you will not receive a rank for each individual Investor Reporting criterion, and you will not receive an overall ranking for the Investor Reporting category on the Servicer Success Scorecard.

Investor Reporting Criteria

Performance Period

All Investor Reporting criteria have a rolling three-month performance period.

Scorecard Month	5/XX	6/XX	7/XX	8/XX	9/XX	10/XX	11/XX
July XX	May	June	July				
August XX		June	July	Aug.			
September XX			July	Aug.	Sept.		
October XX				Aug.	Sept.	Oct.	
November XX					Sept.	Oct.	Nov.

For example, the rolling three months that comprise the July XX Scorecard are May, June and July. Each month, the oldest month drops off your Scorecard and is replaced by the current month.

Investor Reporting Criteria

Cash Management – Shortage Percentage

The Shortage Percentage criterion reflects the cumulative total of each day's cash shortage amount expressed as a percentage of the total due to Freddie Mac for the most recent rolling three-month period. The cumulative cash shortage amount assesses the amount of the shortage compared to your total remittances due. A lower value indicates better performance.

Calculation for Individual Month Performance

The Shortage Percentage criterion is calculated as follows for individual month performance:

$$\frac{\text{Sum of daily cash shortages for each day in Month X}}{\text{Sum of daily amounts due during Month X}} = \text{Shortage Percentage}$$

Example

The following example illustrates how the Shortage Percentage may be calculated for a family of Servicers. The total of all the daily shortage amounts (\$233,814.81) is divided by the total remittance due for the month (\$1,235,879.00) to calculate the shortage percentage (18.9189 percent).

Cash Management		
Family #	123456	
Total Remittances due:	\$1,235,879.00	
Remittance Date	Servicer Number	Daily Servicer Shortage Amount
04/18/xx	123456	(751.24)
	753159	(8,125.32)
04/23/xx	753159	(100,125.78)
04/25/xx	123456	(500.01)
	147896	(415.91)
04/26/xx	852369	(24,785.11)
04/27/xx	852369	(24,785.11)
	147896	(100.00)
05/01/xx	753159	(74,001.58)
05/10/xx	123456	(224.75)
Total		(233,814.81)

Investor Reporting Criteria

Sum of daily cash shortages for each day in
May = **\$233,814.81**

_____ = Shortage Percentage of **18.9189 percent**

Sum of daily amounts due during May =
\$1,235,879.00

Calculation for the Rolling Three-Month Performance Period

The Shortage Percentage criterion is calculated as follows for the rolling three-month performance period:

Sum of daily cash shortages for each day
in the rolling three-month period

_____ = Shortage Percentage

Sum of daily amounts due during the
rolling three-month period

Example

	March	April	May	Total:
Sum of daily cash shortages	\$56,645.21	\$120,436.56	\$233,814.81	\$410,896.58
Sum of daily amounts due	\$1,100,912.00	\$1,632,741.00	\$1,235,879.00	\$3,969,532.00

Sum of daily cash shortages for each day in the
rolling three-month period = \$410,896.58

_____ = **10.3513 percent**

Sum of daily amounts due during the
rolling three-month period =
\$3,969,532.00

Investor Reporting Criteria

Recommendations for Success

To maximize your performance for this criterion, we recommend the following:

- Ensure you are familiar with Freddie Mac's requirements outlined in *Single-Family Seller/Servicer Guide (Guide) Chapter 8303*.
- Refer to Freddie Mac's *Due Date Calendar for Monthly Reporting and Remitting* to determine when monthly remittances are due.
- Establish internal controls and procedures to ensure your organization remits funds accurately and timely.
- Avoid single person dependencies. Ensure that more than one person within your organization has the authority to remit funds.
- Ensure that you are familiar with the remittance options associated with the mortgages in your Freddie Mac portfolio.
- If you are unable to determine the remittance options associated with your portfolio, you can request a trial balance that will provide you with the information. You can request a trial balance online via the Service Loans application.
- Ensure that your P&I custodial account contains sufficient funds to cover your remittance.
- Set up a monthly reminder on your calendar one business day before funds are due to Freddie Mac.
- Complete your remittance by 9:00 p.m. Eastern time on the business day prior to the remittance due date.
- Verify the accuracy of your remittance before you remit the funds via the cash remittance system (GPI).
- Analyze your *Edits to be Cleared* report, *System Cleared Edits* report, and any corrections you reported to determine if you need to adjust the amount of your remittance due to a reporting error.
- Create and maintain a remittance log that contains the following information:
 - Date, time, and amount of each remittance
 - Type of remittance (for example, payoff proceeds or principal and interest)
 - Your four-digit verification code

Investor Reporting Criteria

Data Integrity Management and Operational Management– Percent of Hard Rejects Over 90 Days Old

The Percent of Hard Rejects Over 90 Days Old criterion reflects the number of hard edits outstanding for more than 90 days compared the total number of loans in your Freddie Mac servicing portfolio, for the most recent three-month period. Hard edits display on the *Edits to be Cleared* report and require that you take action (e.g., submit a correction via the Service Loans application) in order to clear them so that our system can successfully process the transaction. Hard edits that you do not resolve for more than 90 days (three consecutive cycles) are included in the numerator of this criterion.

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

▪ 200	▪ 214	▪ 600*	▪ 703
▪ 201	▪ 215	▪ 601	▪ 705
▪ 202	▪ 224	▪ 602	▪ 801
▪ 204	▪ 225	▪ 603	▪ 802
▪ 206	▪ 226	▪ 606	▪ 803
▪ 208	▪ 227	▪ 700*	▪ 804
▪ 211	▪ 236	▪ 701	▪ 805
▪ 212	▪ 410	▪ 702	▪ 807

*Considered a hard edit only when the error exceeds the system tolerance level and requires correction.

This criterion measures your promptness in resolving data discrepancies. A lower value indicates better performance.

Calculation for Individual Month Performance

The Percent of Hard Rejects Over 90 Days Old criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of hard edits outstanding for more than 90 days (three consecutive cycles) in Month X}}{\text{Number of loans in your Freddie Mac servicing portfolio in Month X}} = \text{Percent of Hard Rejects Over 90 Days Old}$$

Example

$$\frac{\text{Number of hard edits outstanding for more than 90 days (three consecutive cycles) in June = 30}}{\text{Number of loans in your Freddie Mac servicing portfolio in June = 41,000}} = \text{.0732 percent}$$

Investor Reporting Criteria

Calculation for the Rolling Three-Month Performance Period

The Percent of Hard Rejects Over 90 Days Old criterion is calculated as follows for the rolling three-month performance period:

$$\frac{\text{Number of hard edits outstanding for more than 90 days (three consecutive cycles) in the rolling three-month period}}{\text{Number of loans in your Freddie Mac servicing portfolio in the rolling three-month period}} = \text{Percent of Hard Rejects Over 90 Days Old}$$

Example

	April	May	June	Total:
Number of hard edits over 90 days old	35	33	30	98
Total loans in Servicer's Freddie Mac servicing portfolio	35,000	43,000	41,000	119,000

$$\frac{\text{Number of hard edits outstanding for more than 90 days (three consecutive cycles) in April, May, and June} = \mathbf{98}}{\text{Number of loans in your Freddie Mac servicing portfolio in April, May, and June} = \mathbf{119,000}} = \mathbf{.0824 \text{ percent}}$$

Investor Reporting Criteria

Recommendations for Success

To maximize your performance for this criterion, we recommend the following:

- Use the *Funding Detail Report* available via the Freddie Mac selling system to set up newly funded loans on your system and to determine if there are discrepancies between the Note and the funding information. If you discover discrepancies between the *Funding Detail* report and the Note, contact your Freddie Mac representative.
- Summarize all activity into one transaction, per loan, each month.
- Avoid single person dependencies. Ensure that more than one person within your organization can report your loan-level transaction data.
- Mark corrected loan-level transactions you report via the Service Loans application as corrections.
- Refer to Freddie Mac's *Due Date Calendar for Monthly Reporting and Remitting* to determine the monthly reporting due dates.
- Report your delinquency and foreclosure information via EDR timely and accurately each month. Some loan-level exception transactions cannot be processed if you have not accurately completed your monthly EDR. For example, we cannot process a loan-level inactivation if you have not reported default action code 43 (Referred to Foreclosure) via EDR to notify us that foreclosure has been initiated.
- Identify the root cause of each edit to avoid recurring edits each month. Begin your research by determining if there are any inconsistencies between your system and the note. If you believe we may have incorrect information in our system, contact your Freddie Mac representative.
- Print and review the *Edits to be Cleared* report daily. Report corrections via the Service Loans application promptly.
- Do not adjust the terms for a loan in default that has been modified until you receive specific instructions from Freddie Mac. Adjusting the terms too early or too late can result in loan-level edits. If you receive an edit on a pending loan modification, contact your Freddie Mac representative.
- Refer to the *Resolving Loan-Level Edits Quick Reference Guide* for information about loan-level transaction edit and warning codes.

Investor Reporting Criteria

Data Integrity Management and Operational Management – Percent of Soft Rejects Over 90 Days Old

The Percent of Soft Rejects Over 90 Days Old criterion reflects the number of soft edits outstanding for more than 90 days compared to the total number of loans in your Freddie Mac servicing portfolio, for the most recent three-month period. Soft edits display on the *System Cleared Edits* report and are automatically cleared by our system because the discrepancy falls within a pre-determined tolerance. Soft edits that you do not resolve for more than 90 days (three consecutive cycles) are included in the numerator of this criterion. A lower value indicates better performance.

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

- | | | | |
|-------|-------|--------|--------|
| ▪ 203 | ▪ 231 | ▪ 240 | ▪ 700* |
| ▪ 207 | ▪ 232 | ▪ 241 | ▪ 808 |
| ▪ 209 | ▪ 233 | ▪ 411 | ▪ 809 |
| ▪ 210 | ▪ 234 | ▪ 412 | |
| ▪ 213 | ▪ 235 | ▪ 413 | |
| ▪ 223 | ▪ 237 | ▪ 600* | |

*Considered a soft edit only when the system clears the edit.

Calculation for Individual Month Performance

The Percent of Soft Rejects Over 90 Days Old criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of soft edits outstanding for more than 90 days (three consecutive cycles) in Month X}}{\text{Number of loans in your Freddie Mac servicing portfolio in Month X}} = \text{Percent of Soft Rejects Over 90 Days Old}$$

Example

$$\frac{\text{Number of soft edits outstanding for more than 90 days (three consecutive cycles) in June} = 180}{\text{Number of loans in your Freddie Mac servicing portfolio in June} = 41,000} = \mathbf{.4390 \text{ percent}}$$

Investor Reporting Criteria

Calculation for the Rolling Three-Month Performance Period

The Percent of Soft Rejects Over 90 Days Old criterion is calculated as follows for the rolling three-month performance period:

$$\frac{\text{Number of soft edits outstanding for more than 90 days (three consecutive cycles) in the rolling three-month period}}{\text{Number of loans in your Freddie Mac servicing portfolio in the rolling three-month period}} = \text{Percent of Soft Rejects Over 90 Days Old}$$

Example

	April	May	June	Total:
Number of soft edits over 90 days old	200	185	180	565
Total Loans in Servicer's Freddie Mac servicing portfolio	35,000	43,000	41,000	119,000

$$\frac{\text{Number of soft edits outstanding for more than 90 days (three consecutive cycles) in April, May, and June = } \mathbf{565}}{\text{Number of loans in your Freddie Mac servicing portfolio in April, May, and June = } \mathbf{119,000}} = \mathbf{.4748 \text{ percent}}$$

Investor Reporting Criteria

Recommendations for Success

To maximize your performance for this criterion, we recommend the following:

- Use the *Funding Detail Report* available via the Freddie Mac selling system, to set up newly funded loans on your system and to determine if there are discrepancies between the Note and the funding information. If you discover discrepancies between the *Funding Detail Report* and the Note, contact your Freddie Mac representative.
- Summarize all activity into one transaction, per loan, each month.
- Avoid single person dependencies. Ensure that more than one person within your organization can report your loan-level transaction data.
- Mark corrected loan-level transactions you report via the Service Loans application as corrections.
- Refer to Freddie Mac's *Due Date Calendar for Monthly Reporting and Remitting* to determine the monthly reporting due dates.
- Report your delinquency and foreclosure information via EDR timely and accurately each month. Some loan-level exception transactions cannot be processed if you have not accurately completed your monthly EDR. For example, we cannot process a loan-level inactivation if you have not reported default action code 43 (Referred to Foreclosure) via EDR to notify us that foreclosure has been initiated.
- Identify the root cause of each edit to avoid recurring edits each month. Begin your research by determining if there are any inconsistencies between your system and the Note. If you believe we may have incorrect information in our system, contact your Freddie Mac representative.
- Print and review the *System Cleared Edits* report daily. Report corrections via the Service Loans application promptly.
- Refer to the *Resolving Loan-Level Edits Quick Reference Guide* for information about loan-level transaction edit and warning codes.

Investor Reporting Criteria

Data Integrity Management and Operational Management – Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio

The Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio criterion reflects, as a percentage, the number of hard edits compared to the total number of loans in your Freddie Mac servicing portfolio, for the most recent three-month reporting period. Hard edits display on the *Edits to be Cleared* report and require you to take action (e.g., submit a correction via the Service Loans application) in order to clear them so that our system can successfully process the transaction. A lower value indicates better performance.

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

▪ 200	▪ 214	▪ 600*	▪ 703
▪ 201	▪ 215	▪ 601	▪ 705
▪ 202	▪ 224	▪ 602	▪ 801
▪ 204	▪ 225	▪ 603	▪ 802
▪ 206	▪ 226	▪ 606	▪ 803
▪ 208	▪ 227	▪ 700*	▪ 804
▪ 211	▪ 236	▪ 701	▪ 805
▪ 212	▪ 410	▪ 702	▪ 807

*Considered a hard edit only when the error exceeds the system tolerance level and requires the user to submit a correction.

Calculation for Individual Month Performance

The Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of hard edits in Month X}}{\text{Number of loans in your Freddie Mac servicing portfolio in Month X}} = \text{Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio}$$

Example

$$\frac{\text{Number of hard edits in August} = 195}{\text{Number of loans in your Freddie Mac servicing portfolio in August} = 52,000} = \text{.3750 percent}$$

Investor Reporting Criteria

Calculation for the Rolling Three-Month Performance Period

The Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio criterion is calculated as follows for the rolling three-month performance period:

$$\frac{\text{Number of hard edits in the rolling three-month period}}{\text{Number of loans in your Freddie Mac servicing portfolio in the rolling three-month period}} = \text{Percent of Hard Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio}$$

Example

	June	July	August	Total:
Number of hard edits	200	250	195	645
Total loans in Servicer's Freddie Mac servicing portfolio	41,000	50,000	52,000	143,000

$$\frac{\text{Number of hard edits in June, July, and August} = \mathbf{645}}{\text{Number of loans in your Freddie Mac servicing portfolio in June, July, and August} = \mathbf{143,000}} = \mathbf{.4510 \text{ percent}}$$

Investor Reporting Criteria

Data Integrity Management and Operational Management – Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio

The Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio criterion reflects, as a percentage, the number of soft edits compared to the total number of loans in your Freddie Mac servicing portfolio, for the most recent three-month reporting period. Soft edits are automatically cleared by our system and display on the *System Cleared Edits* report. A lower value indicates better performance.

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

- | | | | |
|-------|-------|--------|--------|
| ▪ 203 | ▪ 231 | ▪ 240 | ▪ 700* |
| ▪ 207 | ▪ 232 | ▪ 241 | ▪ 808 |
| ▪ 209 | ▪ 233 | ▪ 411 | ▪ 809 |
| ▪ 210 | ▪ 234 | ▪ 412 | |
| ▪ 213 | ▪ 235 | ▪ 413 | |
| ▪ 223 | ▪ 237 | ▪ 600* | |

*Considered a soft edit only when the system clears the edit.

Calculation for Individual Month Performance

The Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of soft edits in Month X}}{\text{Number of loans in your Freddie Mac servicing portfolio in Month X}} = \text{Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio}$$

Example

$$\frac{\text{Number of soft edits in August} = 250}{\text{Number of loans in your Freddie Mac servicing portfolio in August} = 52,000} = \mathbf{.4808 \text{ percent}}$$

Investor Reporting Criteria

Calculation for the Rolling Three-Month Performance Period

The Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio criterion is calculated as follows for the rolling three-month performance period:

$$\frac{\text{Number of soft edits in the rolling three-month period}}{\text{Number of loans in your Freddie Mac servicing portfolio in the rolling three-month period}} = \text{Percent of Soft Rejects Which Occurred in Reporting Cycle to Total Loans in Portfolio}$$

Example

	June	July	August	Total:
Number of soft edits	350	300	250	900
Total loans in Servicer's Freddie Mac servicing portfolio	41,000	50,000	52,000	143,000

$$\frac{\text{Number of soft edits in June, July, and August} = \mathbf{900}}{\text{Number of loans in your Freddie Mac servicing portfolio in June, July, and August} = \mathbf{143,000}} = \mathbf{.6294 \text{ percent}}$$

Investor Reporting Criteria

Data Integrity Management and Operational Management – Percent of Ending Hard Rejects to Total Loans in Portfolio

The Percent of Ending Hard Rejects to Total Loans in Portfolio criterion reflects, as a percentage, the number of hard edits remaining on the *Edits to be Cleared* report at the end of the reporting cycle (EOM minus four business days) compared to the total number of loans in your Freddie Mac servicing portfolio, for the most recent three-month reporting period. Hard edits display on the *Edits to be Cleared* report and require you to take action (e.g., submit a correction via the Service Loans application) in order to clear them so that our system can successfully process the transaction. A lower value indicates better performance.

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

▪ 200	▪ 214	▪ 600*	▪ 703
▪ 201	▪ 215	▪ 601	▪ 705
▪ 202	▪ 224	▪ 602	▪ 801
▪ 204	▪ 225	▪ 603	▪ 802
▪ 206	▪ 226	▪ 606	▪ 803
▪ 208	▪ 227	▪ 700*	▪ 804
▪ 211	▪ 236	▪ 701	▪ 805
▪ 212	▪ 410	▪ 702	▪ 807

*Considered a hard edit only when the error exceeds the system tolerance level and requires the user to submit a correction.

Calculation for Individual Month Performance

The Percent of Ending Hard Rejects to Total Loans in Portfolio criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of hard edits remaining on the } \textit{Edits to be Cleared} \textit{ report at the end of the reporting period (EOM minus four business days) in Month X}}{\text{Number of loans in your Freddie Mac servicing portfolio in Month X}} = \text{Percent of Ending Hard Rejects to Total Loans in Portfolio}$$

Example

$$\frac{\text{Number of hard edits remaining on the } \textit{Edits to be Cleared} \textit{ report at the end of the reporting period (EOM minus four business days) in October} = 50}{\text{Number of loans in your Freddie Mac servicing portfolio in October} = 90,000} = \mathbf{.0556 \text{ percent}}$$

Investor Reporting Criteria

Calculation for the Rolling Three-Month Performance Period

The Percent of Ending Hard Rejects to Total Loans in Portfolio criterion is calculated as follows for the rolling three-month performance period:

$$\frac{\text{Number of hard edits remaining on the } \textit{Edits to be Cleared} \text{ report at the end of the reporting period (EOM minus four business days) for the rolling three-month period}}{\text{Number of loans in your Freddie Mac servicing portfolio for the rolling three-month period}} = \text{Percent of Ending Hard Rejects to Total Loans in Portfolio}$$

Example

	August	September	October	Total:
Number of hard edits remaining on the <i>Edits to be Cleared</i> report at the end of the reporting cycle (EOM minus 4 business days)	35	80	50	165
Total loans in Servicer's Freddie Mac servicing portfolio	80,000	85,000	90,000	255,000

$$\frac{\text{Number of hard edits remaining on the } \textit{Edits to be Cleared} \text{ report at the end of the reporting period (EOM minus four business days) in August, September, and October} = \mathbf{165}}{\text{Number of loans in your Freddie Mac servicing portfolio in August, September, and October} = \mathbf{255,000}} = \mathbf{.0647 \text{ percent}}$$

Investor Reporting Criteria

Data Integrity Management and Operational Management – Average Number of Days to Report Payoffs

The Average Number of Days to Report Payoffs criterion reflects your reporting of payoffs to Freddie Mac for the most recent three-month reporting period. This criterion measures how timely you report your payoffs to Freddie Mac. A lower value indicates better performance.

Calculation for Individual Month Performance

The Average Number of Days to Report Payoffs criterion is calculated as follows for individual month performance:

$$\frac{\text{Total number of days to report payoffs for Month X}}{\text{Total number of payoffs for Month X}} = \text{Average Number of Days to Report Payoffs}$$

Example

$$\frac{\text{Total number of days to report payoffs for October} = 575}{\text{Total number of payoffs for October} = 400} = 1.4375 \text{ days}$$

Investor Reporting Criteria

Calculation for the Rolling Three-Month Performance Period

The Average Number of Days to Report Payoffs criterion is calculated as follows for the rolling three-month performance period:

$$\frac{\text{Total number of days to report payoffs for the rolling three-month period}}{\text{Total number of payoffs for the rolling three-month period}} = \text{Average Number of Days to Report Payoffs}$$

Example

	August	September	October	Total:
Total number of days to report payoffs	400	700	575	1,675
Total number of payoffs	325	600	400	1,325

$$\frac{\text{Total number of days to report payoffs for the rolling three-month period} = 1,675}{\text{Total number of payoffs for the rolling three-month period} = 1,325} = \mathbf{1.2642 \text{ days}}$$

Recommendations for Success

To maximize your performance for this criterion, we recommend that your organization establish an internal procedure to ensure that the department responsible for reporting payoffs to Freddie Mac is notified as soon as possible when payoff proceeds are received.

Investor Reporting Criteria

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Default Management Criteria

4

Introduction

The following table identifies the Default Management criteria and their corresponding weights:

Criteria	Weights
a. Loss Mitigation	
1. Transition to 60+	20%
2. 60 to Worse	10%
3. 90+ to Worse	5%
4. Cure Efficiency	10%
5. Retention Efficiency.....	10%
6. Liquidation Efficiency	5%
b. Workout Effectiveness	
7. 12-Month Performance	2%
c. Default Timeline Management	
8. Average Age Past Foreclosure Sale Standard	20%
9. Beyond Timeline Resolution Rate	18%
d. Data Integrity	
10. Initial Delinquency Reporting Edits.....	0%
11. Final Delinquency Reporting Edits	0%
12. Accuracy of DDLPI Reporting	0%
13. Timely REO Notifications	0%
Servicer Performance Totals	100%

Default Management Criteria

Performance Period

All criteria will continue to have a rolling three-month performance period.

Scorecard Month	5/XX	6/XX	7/XX	8/XX	9/XX	10/XX	11/XX
July XX	May	June	July				
August XX		June	July	Aug.			
September XX			July	Aug.	Sept.		
October XX				Aug.	Sept.	Oct.	
November XX					Sept.	Oct.	Nov.

For example, the rolling three months that comprise the July XX Scorecard are May, June and July. Each month, the oldest month drops off your Scorecard and is replaced by the current month.

Default Management Criteria

Loss Mitigation – Transition to 60+ (Weight: 20 percent)

The Transition to 60+ criterion measures the percentage of loans that transition from a current or less than 60-day delinquency status to a 60+ day delinquency or loss liquidation status three months later, over a rolling three-month performance period. Loss liquidation events such as Freddie Mac Standard Short Sales, Freddie Mac Standard Deeds-in-Lieu of Foreclosure, REOs, and third-party foreclosure sales are included in the numerator. The 60+ day delinquent count is captured at one point in time, in Month X, whereas the loss liquidation events are included as they occur throughout the three-month period covered in the individual month performance calculation. A lower value indicates better performance.

Trial Period Plans initiated during the reporting period on loans that are 30 days delinquent are excluded from the numerator. Trial Period Plans that are less than or equal to 4 months old are excluded from the denominator.

Performance Calculations

The performance for the Transition to 60+ criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of loans that are 60+ days delinquent in Month X or in a loss liquidation status between Month X-2 and Month X – Trial Period Plans initiated between Month X-2 and Month X on loans that are 30 days delinquent}}{\text{Number of loans that are 30 days or less delinquent (includes current loans) in Month X-3 – Trial Period Plans that are less than or equal to 4 months old}} = \text{Transition to 60+}$$

Individual Month Performance Example

Number of loans that are 60+ days delinquent by end of September or in a loss liquidation status between beginning of July and end of September = **100**

Number of Trial Period Plans initiated between beginning of July and end of September on loans that are 30 days delinquent = **18**

Number of loans that are 30 days or less delinquent (includes current loans) in June = **5,000**

Number of Trial Period Plans that are less than or equal to 4 months old in June = **100**

$$\frac{82}{4,900} = \mathbf{1.6735 \text{ percent}}$$

Default Management Criteria

Rolling Three- Month Performance Example

Number of loans that are 60+ days delinquent or in a loss liquidation status	July	August	September	Total:
	85	95	100	280
Number of Trial Period Plans initiated between Month X-2 and Month X on loans that are 30 days delinquent	10	15	18	43
Numerator:				237
Number of loans that are current or less than 60 days delinquent	April	May	June	Total:
	5,100	4,885	5,000	14,985
Existing Trial Period Plans less than or equal to four months old in Month X-3	250	150	100	500
Denominator:				14,485

$$\frac{237}{14,485} = 1.6362 \text{ percent}$$

Default Management Criteria

Loss Mitigation – 60 to Worse (Weight: 10 percent)

The 60 to Worse criterion measures the percentage of 60-day delinquent loans in a given month that become 90+ days delinquent or transition to a loss liquidation status the following month, over a rolling three-month performance period. Loss liquidation events such as Short Sales, Deeds-in-Lieu, REOs, and third-party foreclosure sales that result in a loss to Freddie Mac are included in the numerator. A lower value indicates better performance.

Trial Period Plans that are less than or equal to 4 months old are excluded from the denominator.

Performance Calculations

The performance for the 60 to Worse criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of loans that are 60 days delinquent in Month X-1 that become 90+ days delinquent or transition to a loss liquidation status in Month X}}{\text{Number of loans that are 60 days delinquent in Month X-1 – Trial Period Plans that are less than or equal to 4 months old in Month X-1}} = 60 \text{ to Worse}$$

Individual Month Performance Example

$$\frac{\text{Number of loans that are 60 days delinquent in April that become 90+ days delinquent or transition to a loss liquidation status in May} = \mathbf{350}}{\text{Number of loans that are 60 days delinquent in April} = \mathbf{1,000} - \text{Number of Trial Period Plans that are less than or equal to 4 months old in April} = \mathbf{200}} = \mathbf{43.7500 \text{ percent}}$$
$$\frac{\mathbf{350}}{\mathbf{800}} = \mathbf{43.7500 \text{ percent}}$$

Default Management Criteria

Rolling Three-Month Performance Example

Number of loans that are 60 days delinquent in the prior month that become 90+ days delinquent or transition to a loss liquidation status in the following month	March	April	May	Total:
	240	265	350	855
Numerator:	855			
Number of loans that are 60 days delinquent	February	March	April	Total:
	850	900	1,000	2,750
Number of Trial Period Plans that are less than or equal to 4 months old	150	165	200	515
Denominator:	2,235			

$$\frac{855}{2,235} = 38.2550 \text{ percent}$$

Default Management Criteria

Loss Mitigation – 90+ to Worse (Weight: 5 percent)

The 90+ to Worse criterion measures, as a percentage, the number of 90+ day delinquent loans (excluding loans in foreclosure) that transition to a further state of delinquency in the following month, over a rolling three-month performance period. This criterion assesses your proficiency at managing and preventing losses on loans that are 90 or more days delinquent. Loss liquidation events such as Short Sales, Deeds-in-Lieu, REOs, and third-party foreclosure sales that result in a loss to Freddie Mac are included in the numerator. A lower value indicates better performance.

Trial Period Plans that are less than or equal to 4 months old are excluded from the denominator.

Performance Calculations

The 90+ to Worse criterion is calculated as follows for individual month performance:

Number of loans that are 90+ days delinquent
(excluding loans in foreclosure) in Month X-1 that
become 120+ days delinquent (excluding loans in
foreclosure) or go into a loss liquidation status in
Month X

= 90+ to Worse

Number of loans that are 90+ days delinquent in
Month X-1 – Trial Period Plans that are less than
or equal to 4 months old in Month X-1

Individual Month Performance Example

Number of loans that are 90+ days delinquent (excluding loans in
foreclosure) in June that become 120+ days delinquent
(excluding loans in foreclosure) in July = **488**

= **39.3548 percent**

Number of loans that are 90+ days delinquent (excluding loans
in foreclosure) in June = **1,665**

–
Number of Trial Period Plans that are less than or equal to 4
months old in June = **425**

$$\frac{488}{1,240} = 39.3548 \text{ percent}$$

Default Management Criteria

Rolling Three-Month Performance Example

Number of loans that were 90+ days delinquent (excluding loans in foreclosure) in the prior month that become 120+ days delinquent (excluding loans in foreclosure) in the following month	May	June	July	Total:
	650	425	488	1,563
Numerator:				1,563
Number of loans that were 90+ days delinquent (excluding loans in foreclosure)	April	May	June	Total:
	1,600	1,550	1,665	4,815
Number of Trial Period Plans that are less than or equal to 4 months old	350	400	425	1,175
Denominator:				3,640

$$\frac{1,563}{3,640} = 42.9396 \text{ percent}$$

Default Management Criteria

Loss Mitigation – Cure Efficiency (Weight: 10 percent)

The Cure Efficiency criterion reflects, as a percentage, the number of loans between 30 days delinquent and the allowable foreclosure timeline that cure or payoff in the current month divided by the number of loans between 30 days delinquent and the allowable foreclosure timeline in the previous month. Full reinstatements, successful repayment plans, payoffs (prepaids and matured loans), and repurchases will be considered in the numerator. A higher value indicates better performance.

Performance Calculations

The Cure Efficiency criterion is calculated as follows for individual month performance:

Number of loans between 30 days delinquent and the allowable foreclosure timeline that prepaid, matured, were repurchased, fully reinstated or completed a successful repayment plan in Month X

Number of loans between 30 days delinquent and the allowable foreclosure timeline in Month X-1

= Cure Efficiency

Individual Month Performance Example

Number of loans between 30 days delinquent and the allowable foreclosure timeline that prepaid, matured, were repurchased, fully reinstated or completed a successful repayment plan in May = **1,500**

Number of loans between 30 days delinquent and the allowable foreclosure timeline in April = **15,255**

= **9.8328 percent**

Rolling Three-Month Performance Example

Number of loans between 30 days delinquent and the allowable foreclosure timeline that prepaid, matured, were repurchased, fully reinstated or completed a successful repayment plan	May	June	July	Total:
	1,500	1,100	1,700	4,300
Number of loans between 30 days delinquent and the allowable foreclosure timeline	April	May	June	Total:
	15,255	14,360	13,654	43,269

$$\frac{4,300}{43,269} = 9.9378 \text{ percent}$$

Default Management Criteria

Loss Mitigation – Retention Efficiency (Weight: 10 percent)

The Retention Efficiency criterion reflects, as a percentage, the number of Trial Period Plans that were initiated for loans between 60 days delinquent and the allowable foreclosure timeline and the number of non-trial modifications that were settled, compared to the previous month's volume of loans between 60 days delinquent and the allowable foreclosure timeline. A higher value indicates better performance.

Trial Period Plans that are less than or equal to 4 months old are excluded from the denominator.

Performance Calculations

The Retention Efficiency criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of loans between 60 days delinquent and the allowable foreclosure timeline that initiated a Trial Period Plan and the number of non-trial modifications settled in Month X}}{\text{Number of loans between 60 days delinquent and the allowable foreclosure timeline – Trial Period Plans that are less than or equal to 4 months old in Month X-1}} = \text{Retention Efficiency}$$

Individual Month Performance Example

$$\frac{\text{Number of loans between 60 days delinquent and the allowable foreclosure timeline that initiated a Trial Period Plan and the number of non-trial modifications settled in June} = \mathbf{1,500}}{\text{Number of loans between 60 days delinquent and the allowable foreclosure timeline in May} = \mathbf{12,100} - \text{Trial Period Plans that are less than or equal to 4 months old in May} = \mathbf{1,600}} = \mathbf{14.2857 \text{ percent}}$$
$$\frac{\mathbf{1,500}}{\mathbf{10,500}} = \mathbf{14.2857 \text{ percent}}$$

Default Management Criteria

Rolling Three-Month Performance Example

Number of loans between 60 days delinquent and the allowable foreclosure timeline that initiated a Trial Period Plan	June	July	August	Total:
	1,400	1,550	1,700	4,650
Number of non-trial modifications settled	100	50	100	250
Numerator:				4,900
Number of loans between 60 days delinquent and the allowable foreclosure timeline	May	June	July	Total:
	12,100	12,250	13,667	38,017
Number of Trial Period Plans that are less than or equal to 4 months old	1,600	1,575	1,756	4,931
Denominator:				33,086

$$\frac{4,900}{33,086} = 14.8099 \text{ percent}$$

Default Management Criteria

Loss Mitigation – Liquidation Efficiency (Weight: 5 percent)

The Liquidation Efficiency criterion reflects, as a percentage, the number of settled Short Sales and Deeds-in-Lieu of Foreclosure for loans between 90+ days delinquent and the allowable foreclosure timeline, compared to the previous month's volume of loans between 90+ days delinquent and the allowable foreclosure timeline. A higher value indicates better performance.

Trial Period Plans that are less than or equal to 4 months old are excluded from the denominator.

The following workouts are included in the numerator for this criterion:

- Freddie Mac Short Sales
- Freddie Mac Deeds-in-Lieu of Foreclosure

Performance Calculations

The Liquidation Efficiency criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of loans between 90+ days delinquent and the allowable foreclosure timeline that settled a Short Sale or Deed-in-Lieu of Foreclosure in Month X}}{\text{Number of loans between 90+ days delinquent and the allowable foreclosure timeline – Trial Period Plans that are less than or equal to 4 months old in Month X-1}} = \text{Liquidation Efficiency}$$

Individual Month Example

$$\frac{\text{Number of loans between 90+ days delinquent and the allowable foreclosure timeline that settled a Short Sale or Deed-in-Lieu of Foreclosure in November} = \mathbf{4,033}}{\text{Number of loans between 90+ days delinquent and the allowable foreclosure timeline in October} = \mathbf{18,645}} = \mathbf{96.7146 \text{ percent}}$$

$$\frac{\text{Number of loans between 90+ days delinquent and the allowable foreclosure timeline in October} = \mathbf{18,645}}{\text{Trial Period Plans that are less than or equal to 4 months old in October} = \mathbf{14,475}}$$

$$\frac{\mathbf{4,033}}{\mathbf{4,170}} = \mathbf{96.7146 \text{ percent}}$$

Default Management Criteria

Rolling Three-Month Performance Example

Number of loans between 90+ days delinquent and the allowable foreclosure timeline that settled a Short Sale and Deed-in-Lieu of Foreclosure	September	October	November	Total:
	3,124	3,000	4,033	10,157
Numerator:				10,157
Number of loans between 90+ days delinquent and the allowable foreclosure timeline	September	October	November	Total:
	19,012	18,645	19,333	56,990
Number of Trial Period Plans that are less than or equal to 4 months old	15,000	14,475	15,500	44,975
Denominator:				12,015

$$\frac{10,157}{12,015} = 84.5360 \text{ percent}$$

Default Management Criteria

Workout Effectiveness – 12-Month Performance (Weight: 2 percent)

The 12-Month Performance criterion measures the percentage of loan modifications that are current 12 months after they closed or have paid off over the 12-month period since they closed, over a rolling three-month performance period. A higher value indicates better performance.

Your performance for this criterion is compared to a synthetic portfolio that is specifically generated for this criterion; it is different from the synthetic portfolio used with the other Default Management criteria. For the purpose of this criterion, at least 20 loan modifications are required to create the given synthetic portfolio and determine your rank for the criterion.

Performance Calculations

The performance for the 12-Month Performance criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of modifications that closed in Month X-12 that are current in Month X + modifications that paid off between Month X-12 and Month X}}{\text{Number of modifications that closed in Month X-12}} = \text{12-Month Performance}$$

Individual Month Performance Example

$$\frac{\text{Number of modifications that closed in April, 2103 that are current in April 2014 + modifications that paid off between April 2013 and April 2014} = \mathbf{1,615}}{\text{Number of modifications that closed in April 2013} = \mathbf{2,000}} = \mathbf{80.7500 \text{ percent}}$$

Default Management Criteria

Rolling Three-Month Performance Example

Number of modifications that closed in Month X-12 that are current in Month X	April 2014	May 2014	June 2014	Total:
	1,415	700	1,100	3,215
Number of modifications that have paid off between Month X-12 and Month X	200	100	125	425
Numerator:	1,615	800	1,225	3,640
Number of modifications closed in Month X-12	April 2013	May 2013	June 2013	Total:
	2,000	1,200	1,500	4,700

$$\frac{3,640}{4,700} = 77.4468 \text{ percent}$$

Default Management Criteria

Default Timeline Management – Average Age Past Foreclosure Sale Standard (Weight: 20 percent)

For mortgages in your portfolio that are 180+ days delinquent and past standard and loans that liquidated at 180+ days delinquent that were past standard, the Average Age Past Foreclosure Sale Standard criterion measures, in number of days, how far past standard those mortgages are on average, over a rolling three-month performance period. A lower value indicates better performance.

This criterion measures three distinct populations of mortgages:

- 180 or more days delinquent or foreclosed
- Short Sales and Deeds-in-Lieu
- REOs

We exclude mortgages in the following process sub-statuses from the performance measurement of loans 180 or more days delinquent or foreclosed:

- Foreclosure sale (third party, HUD conveyance, recourse, REO pending)
- Open REO
- Settled REO
- Closed

In other populations (i.e., mortgages resulting in a Short Sale, Deed-in-Lieu, or REO) mortgages with these process sub-statuses will be included in the Average Age Past Foreclosure Sale Standard criterion.

Performance Calculations

The Average Age Past Foreclosure Sale Standard criterion is calculated as follows for individual month performance:

Total number of days past standard for loans that are 180+ days delinquent and loans that liquidated at 180+ days delinquent that were past standard in
Month X

Total number of loans past standard that are equal to or greater than 180+ days delinquent and loans that liquidated at 180+ days delinquent that were past standard in Month X

= Average Age Past Foreclosure Sale Standard

Default Management Criteria

Individual Month Performance Example

Total number of days past standard for loans that are 180+ days delinquent and loans that liquidated at 180+ days delinquent that were past standard in

June = **320 days**

= **2.0000 days**

Total number of loans past standard that are equal to or greater than 180+ days delinquent and loans that liquidated at 180+ days delinquent that were past standard in June = **160 loans**

Rolling Three-Month Performance Example

Total number of days past standard for loans that are 180+ days delinquent and loans that liquidated at 180+ days delinquent that were past standard	April	May	June	Total:
	1,469	1,832	320	3,621
Total number of loans past standard that are equal to or greater than 180+ days delinquent and loans that liquidated at 180+ days delinquent that were past standard	April	May	June	Total:
	763	945	160	1,868

$$\frac{3,621}{1,868} = 1.9384 \text{ days}$$

Default Management Criteria

Default Timeline Management – Beyond Timeline Resolution Rate (Weight: 18 percent)

The Beyond Timeline Resolution Rate criterion reflects, as a percentage, the number of loan dispositions and delinquency cures in a given month from the population of loans beyond their allowable foreclosure timeline in the prior month compared to the total number of loans that exceeded their allowable foreclosure timeline in the prior month. Loan dispositions include REOs, third-party foreclosure sales, repurchases, Short Sales, Deeds-in-Lieu of Foreclosure, and full payoffs. Delinquency cures refer to loans that are 30 days or less delinquent in a given month that were greater than or equal to 30 days delinquent (including foreclosures) in the prior month. A higher value indicates better performance.

We exclude mortgages in the following process sub-statuses from the denominator:

- Foreclosure sale (third party, HUD conveyance, recourse, REO pending)
- Open REO
- Settled REO
- Closed

Performance Calculations

The Beyond Timeline Resolution Rate criterion is calculated as follows for individual month performance:

Total number of loan dispositions and delinquency cures in Month X from the population of loans beyond their allowable foreclosure timeline in Month X-1

$$\frac{\text{Total number of loan dispositions and delinquency cures in Month X from the population of loans beyond their allowable foreclosure timeline in Month X-1}}{\text{Total number of loans that exceeded their allowable foreclosure timeline in Month X-1}} = \text{Beyond Timeline Resolution Rate}$$

Individual Month Performance Example

Total number loan dispositions and delinquency cures in June from the population of loans beyond their allowable foreclosure timeline in in May = **2,000**

$$\frac{\text{Total number loan dispositions and delinquency cures in June from the population of loans beyond their allowable foreclosure timeline in in May} = \mathbf{2,000}}{\text{Total number of loans that exceeded their allowable foreclosure timeline in May} = \mathbf{2,225 \text{ loans}}} = \mathbf{89.8876 \text{ percent}}$$

Default Management Criteria

Rolling Three-Month Performance Example

Total number of loan dispositions and delinquency cures in a given month from the population of loans beyond their allowable foreclosure timeline in the prior month	April	May	June	Total:
	1,469	1,832	2,000	5,301
Total number of loans that exceeded their allowable foreclosure timeline in the prior month	March	April	May	Total:
	2,200	2,500	2,225	6,925

$$\frac{5,301}{6,925} = 76.5487 \text{ percent}$$

Default Management Criteria

Data Integrity – Initial Delinquency Reporting Edits (Weight: 0 percent)

The Initial Delinquency Reporting Edits criterion reflects, as a percentage, the number of edits generated in your first monthly Electronic Default Reporting (EDR) transmission compared to the total number of 30+ delinquent loans in your portfolio. You must report your monthly default activity via EDR between the first and third business days of the month. The Initial Delinquency Reporting Edits criterion measures your proficiency at reporting accurately through EDR. A lower value indicates better performance. Freddie Mac reserves the right to exclude edits from the criterion calculation.

Performance Calculations

The Initial Delinquency Reporting Edits criterion is calculated as follows:

$$\frac{\text{Number of edits generated in your first monthly EDR transmission in Month X}}{\text{Total 30+ delinquencies in Month X}} = \text{Initial Delinquency Reporting Edits Performance}$$

Individual Month Performance Example

$$\frac{\text{Number of edits generated in your first monthly EDR transmission in June} = 100}{\text{Total 30+ delinquencies in June} = 500} = 20.0000 \text{ percent}$$

Rolling Three-Month Performance Example

Number of edits generated in your first monthly EDR transmission	April	May	June	Total:
	150	200	100	450
Total 30+ delinquencies	April	May	June	Total:
	763	945	500	2,208

$$\frac{450}{2,208} = 20.3804 \text{ percent}$$

Default Management Criteria

Data Integrity – Final Delinquency Reporting Edits (Weight: 0 percent)

The Final Delinquency Reporting Edits criterion reflects, as a percentage, the number of edits that have not been resolved plus the number of 90+ delinquent loans and loans in foreclosure that have not been reported as of the close of the sixth business day of the month compared to the total number of 30+ delinquent loans in your portfolio. This criterion measures your proficiency at resolving EDR edits and unreported loans by the close of the sixth business day. A lower value indicates better performance. Freddie Mac reserves the right to exclude edits from the criterion calculation.

Performance Calculations

The Final Delinquency Reporting Edits criterion is calculated as follows for individual month performance:

$$\begin{array}{r} \text{Number of edits in your monthly} \\ \text{EDR transmission that have not} \\ \text{been resolved as of the close of} \\ \text{the sixth business day in Month X} \\ + \\ \text{Number of 90+ days delinquent} \\ \text{loans and loans in foreclosure that} \\ \text{were not reported as of the close of} \\ \text{the sixth business day in Month X} \\ \hline \text{Total 30+ delinquencies in Month X} \end{array} = \text{Final Delinquency Reporting Edits Performance}$$

Individual Month Performance Example

$$\begin{array}{r} \text{Number of edits in your monthly EDR} \\ \text{transmission that have not been} \\ \text{resolved as of the close of the sixth} \\ \text{business day in May} = \mathbf{30} \\ + \\ \text{Number of 90+ days delinquent loans} \\ \text{and loans in foreclosure that were not} \\ \text{reported as of the close of the sixth} \\ \text{business day in May} = \mathbf{40} \\ \hline \text{Total 30+ delinquencies in May} = \mathbf{3,425} \end{array} = \mathbf{2.0438 \text{ percent}}$$

Default Management Criteria

Rolling Three-Month Performance Example

Number of edits in your monthly EDR transmission that have not been resolved as of the close of the sixth business day	March	April	May	Total:
	25	15	30	70
Number of 90+ days delinquent loans and loans in foreclosure that were not reported as of the close of the sixth business day	March	April	May	
	55	25	40	120
Total 30+ delinquencies	March	April	May	Total:
	2,312	2,885	3,425	8,622

$$\frac{190}{8,622} = 2.2037 \text{ percent}$$

Default Management Criteria

Data Integrity – Accuracy of DDLPI Reporting (Weight: 0 percent)

The Accuracy of DDLPI Reporting criterion measures the percentage of your 30+ delinquent loans reported with DDLPIs that are inconsistent with the DDLPI information reported via Loan-Level Reporting. This criterion assesses your proficiency at reporting accurate and consistent DDLPI information through EDR and Loan-Level Reporting. A lower value indicates better performance.

Performance Calculations

The Accuracy of DDLPI Reporting criterion is calculated as follows for individual month performance:

$$\frac{\text{Number of DDLPI discrepancies between EDR and Loan-Level Reporting in Month X}}{\text{Total 30+ delinquencies in Month X}} = \text{Accuracy of DDLPI Reporting}$$

Individual Month Performance Example

$$\frac{\text{Number of DDLPI discrepancies between EDR and Loan-Level Reporting in April} = 40}{\text{Total 30+ delinquencies in April} = 30,000} = .1333 \text{ percent}$$

Rollint Three-Month Performance Example

Number of DDLPI discrepancies between EDR and Loan-Level Reporting	February	March	April	Total:
	30	45	40	115
Total 30+ delinquencies	February	March	April	Total:
	29,000	31,000	30,000	90,000

$$\frac{115}{90,000} = .1278 \text{ percent}$$

Default Management Criteria

Data Integrity – Timely REO Notifications (Weight: 0 percent)

The Timely REO Notifications criterion measures the average number of days from the first business day after the foreclosure sale date to the date you report the foreclosure sale results to Freddie Mac. For example, if a foreclosure sale occurs on a Friday, the calculation will begin on the next business day, which is Monday (assuming Monday is not a holiday), and will then be based on the number of calendar days going forward. Note that only REOs are included in this criterion. A lower value indicates better performance.

This criterion assesses your performance compared to Freddie Mac’s requirement for reporting foreclosure sale results within one business day following the date of the foreclosure sale. Redemptions or rollbacks from REO and approved waivers are excluded from this criterion.

Performance Calculations

The Timely REO Notifications criterion is calculated as follows for individual month performance:

$$\frac{\text{Total number of days to report foreclosure sale results for the most recent six-month period}}{\text{Total number of foreclosure sales reported for the most recent six-month period}} = \text{Timely REO Notifications}$$

Individual Month Performance Example

$$\frac{\text{Total number of days to report foreclosure sale results for February through July} = 300}{\text{Total number of foreclosure sales reported for February through July} = 300} = 1.0000 \text{ day}$$

Rolling Three-Month Performance Example

Total number of days to report foreclosure sale results for the most recent six-month period	May	June	July	Total:
	405	300	300	1,005
Total number of foreclosure sales reported for the most recent six-month period	May	June	July	Total:
	400	265	300	965

$$\frac{1,005}{965} = 1.0415 \text{ days}$$

Default Management Criteria

Loans Excluded from the Default Management Criteria Calculations

The Scorecard excludes the following from the Default Management criteria, with the exception of Initial Delinquency Reporting Edits, Final Delinquency Reporting Edits, Accuracy of DDLPI Reporting, and Timely REO Notifications:

- FHA/VA mortgages
- Mortgages originated under the Rural Housing Service Section 502 Guaranteed Loan Program

Default Management Criteria

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