

# Freddie Mac Servicing Success Program

May 2012



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## **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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# Table of Contents

## **CHAPTER 1: FREDDIE MAC SERVICING SUCCESS PROGRAM**

Introduction.....	1-1
Freddie Mac Servicing Success Program Components.....	1-1

## **CHAPTER 2: ACCESS AND NAVIGATE YOUR SERVICER SUCCESS SCORECARD**

Introduction.....	2-1
System Requirements.....	2-1
Technical Tips for First-Time Log In.....	2-1
How to Access Your Servicer Success Scorecard.....	2-1
Navigation.....	2-4
Understanding the Global Family and Servicer Family Views.....	2-4
Parts of the Scorecard.....	2-6
Criteria.....	2-7
Servicer Success Scorecard Overview Section.....	2-10
Access Additional Detailed Performance Data.....	2-20
How to Export Your Loan Detail Data.....	2-22
Additional Information about the Loan Detail Reports.....	2-24
Ranking.....	2-25
What is a Synthetic Portfolio?.....	2-28
What is a Combined Peer Group?.....	2-28
Executive Summary Report.....	2-29

## **CHAPTER 3: INVESTOR REPORTING AND REMITTING CRITERIA**

Introduction.....	3-1
Cash Management—Shortage Percentage.....	3-2
Cash Management—Custodial Account Review.....	3-5
Data Integrity Management—Percentage of Aged Applied Transactions in Error.....	3-7
Operational Management—Percentage of Applied Transactions in Error.....	3-10
Operational Management—Average Number of Days to Report Payoffs.....	3-12

## **CHAPTER 4: ADDITIONAL PERFORMANCE CRITERIA FOR INVESTOR REPORTING AND REMITTING**

Introduction.....	4-1
Additional Performance Criteria—Number of Cash Shortages > \$1,000.....	4-2
Additional Performance Criteria—Number of Cash Shortages > \$100,000.....	4-3

# Table of Contents

---

Additional Performance Criteria—Number of Loans Past Maturity.....	4-4
Additional Performance Criteria—Number of Loan Level Due Date Last Paid Installments (DDLPIs) > 90 days of Current .....	4-5
Additional Performance Criteria—Number of 3rd Party Origination Loans In Error .....	4-6
Additional Performance Criteria—Number of Newly Funded Loans In Error .....	4-7
Additional Performance Criteria—Number of Adjustable Rate Mortgages (ARMs) in Error.....	4-8
Additional Performance Criteria—Number of Transfers Reported Late .....	4-9
Additional Performance Criteria—Number of Balloon Loans Not Reset Timely .....	4-10
Additional Performance Criteria—Number without Disposition Codes 44 days before Maturity.....	4-11
Additional Performance Criteria—Number Receiving Late Document Fees .....	4-12
Additional Performance Criteria—Number of Late Reported Payoff Fees .....	4-13

## CHAPTER 5: DEFAULT MANAGEMENT CRITERIA

Introduction.....	5-1
Loss Mitigation—Early Collections Roll Rate .....	5-2
Loss Mitigation—Late Collections Roll Rate .....	5-3
Loss Mitigation—D60+Workout to D60+ Inventory .....	5-5
Default Time Line Management - D90+ Loans Past Foreclosure Referral Standard.....	5-7
Default Time Line Management - Inventory Past Standard .....	5-8
Data Integrity—Initial EDR Edits.....	5-9
Data Integrity—Sixth Business Day EDR Edits .....	5-10
Data Integrity—Accuracy of DDLPI Reporting .....	5-11
Data Integrity—Average Number of Days to Report Foreclosure Sales.....	5-12
Loans Excluded from the Default Management Criterion .....	5-14

# Freddie Mac Servicing Success Program

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# 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 Sections 51.9 through 51.11 of the *Single-Family Seller/Servicer Guide* (Guide) for additional information or contact 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

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## ***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:

<b>Type of File Review</b>	<b>Description</b>
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 ten business 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. If you fail to submit the requested documentation, it will be considered a file defect and may be considered in determining your overall performance in accordance with Guide Section 51.11.

After we complete the File Review, we will notify you of our conclusions in writing. You may provide us with additional information to consider up to 15 business days after the date of our written conclusions. While you will continue to have an opportunity to appeal our written conclusions upon completion of the File Review, submission of requested file documentation that you initially failed to provide does not constitute an appeal.

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 51.11, *Servicer Performance Criteria*.

For additional information about File Reviews, refer to Guide Section 51.9.1.

# Freddie Mac Servicing Success Program

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## ***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

You will access your Scorecard via the Servicer Performance Profile website on Freddiemac.com. The following outlines the minimum and recommended system configuration requirements for access.

	Minimum Configuration	Recommended Configuration
System Configuration	Pentium® III 450MHz, AMD Athlon™ 600MHz	Pentium III 450MHz, AMD Athlon 600MHz and above
Operating System	Microsoft Windows® XP	Microsoft Windows XP SP3
System Memory	1 GB	2 GB
Browser	Windows® Internet Explorer® 7, or Mozilla FireFox® 3.0	Windows Internet Explorer 8 or 9, or FireFox 4.0
Flash Player	Adobe® Flash Player 10	Adobe Flash Player 10
Screen Resolution	1024 x 768	1024 x768

## Technical Tips for First-Time Log In

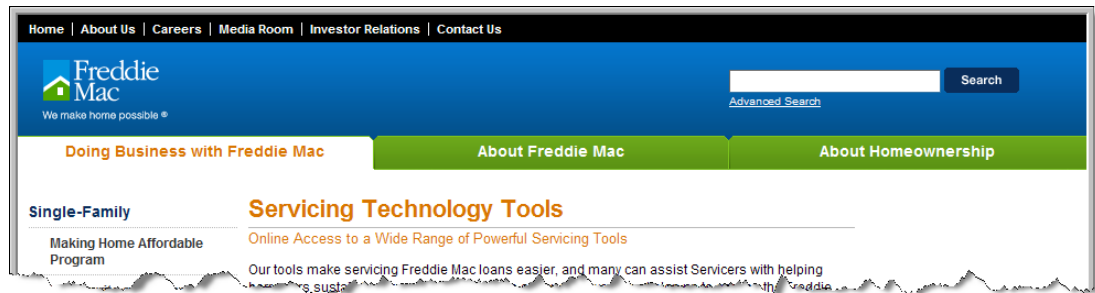
- Clear any temporary Internet files from your browser's cache.
- Ensure your browser is checking for the most recent version of stored web pages.
- Bookmark the Servicer Success Scorecard website. Ensure that any older, out-of-date bookmarks are deleted.

# Access and Navigate Your Servicer Success Scorecard

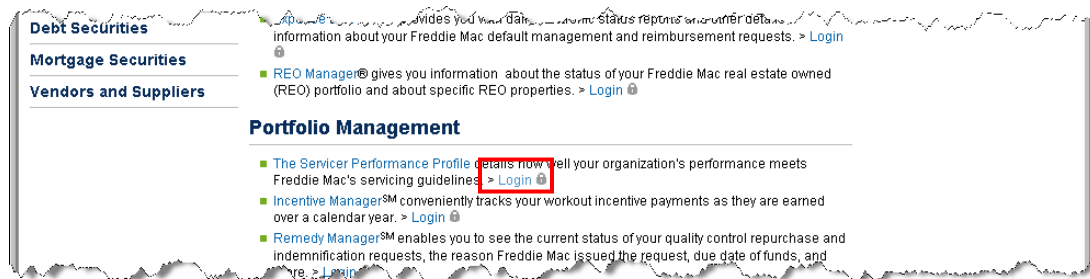
## How to Access Your Servicer Success Scorecard

To access your Scorecard, perform the following steps:

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

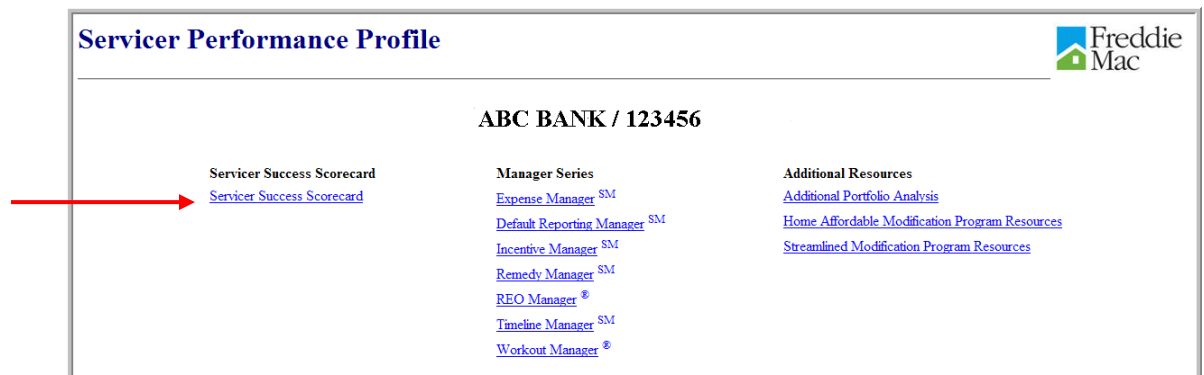


2. Click Login under Servicer Performance Profile and enter your user ID and password when prompted.



The Servicer Performance Profile page displays.

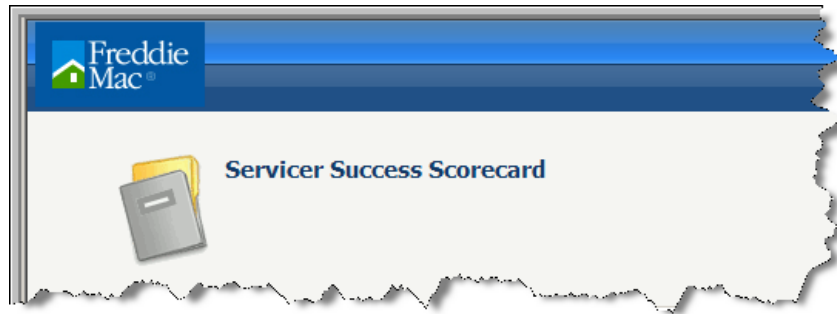
3. Click the Servicer Success Scorecard link to view your Scorecard and access detailed data that supports your performance results.



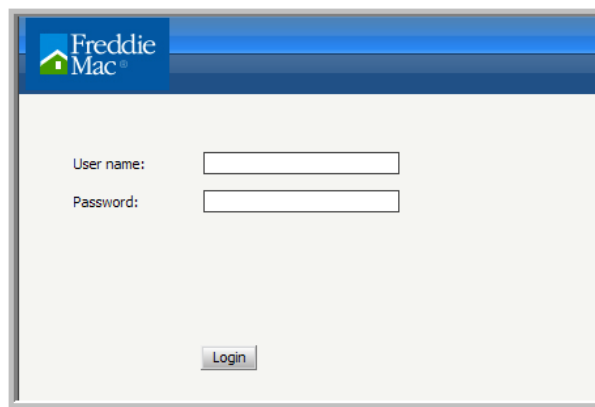
# Access and Navigate Your Servicer Success Scorecard

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4. Click Servicer Success Scorecard.



5. Enter your user ID and password again when prompted, and click Login.



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



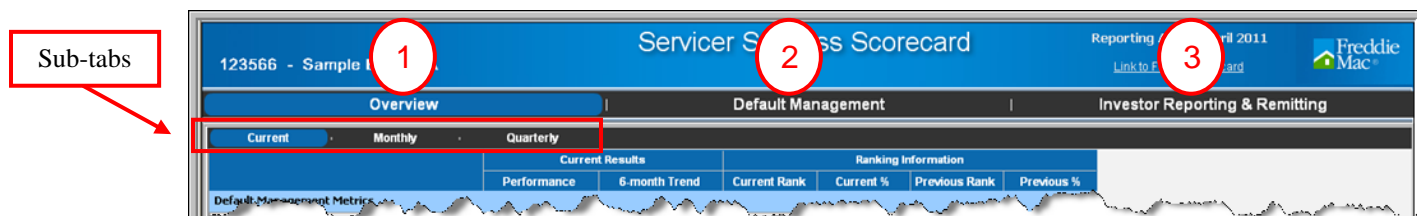
Note: If you are a member of a Servicer family that has a parent entity and that parent entity has provided written approval to Freddie Mac to share aggregated information with its subsidiaries, both the Global Family and Servicer Family selections display. If your parent entity has not provided written approval to Freddie Mac to share aggregated information with its subsidiaries, you will see only the Servicer Family selection when you log in to the Scorecard.

For additional information, see “Understanding the Global Family and Servicer Family Views” in this chapter.

# Access and Navigate Your Servicer Success Scorecard

## Navigation

The three tabs located at the top of your Scorecard provide access to your performance data.



Within each tab, there are sub-tabs that enable you to navigate that particular section of the Scorecard. For example, in the above illustration, we have selected the Overview tab. Directly below the Overview tab, three sub-tabs display: Current, Monthly, and Quarterly.

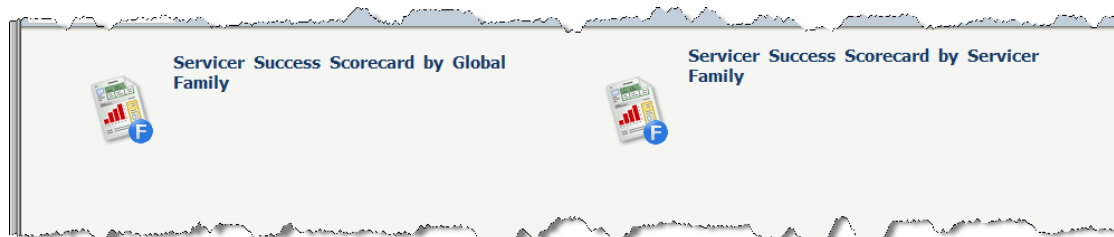
## Understanding the Global Family and Servicer Family Views

If you are a member of a Servicer family that has a parent entity, the data views available to you in the Scorecard depend on whether your parent entity has provided written approval to Freddie Mac to share aggregated data with its subsidiaries.

### 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. To view aggregated global family performance data, the parent entity must provide written approval to share such aggregated information with their subsidiaries to Freddie Mac. Contact your Freddie Mac representative to learn about the process for providing written approval.

When you log in to the Scorecard, you will see the Global Family and Servicer Family selections if your parent entity has provided written approval to share aggregated information with its subsidiaries:



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 Scorecard will be that of the parent entity, or global Servicer, not yours.

# Access and Navigate Your Servicer Success Scorecard

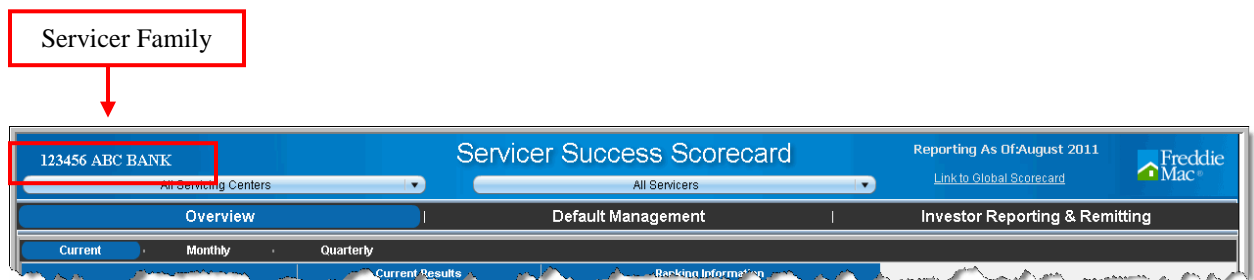
## Servicer Family View

The Servicer family view displays performance results for a Servicer family, an individual servicing center, or Servicer number.

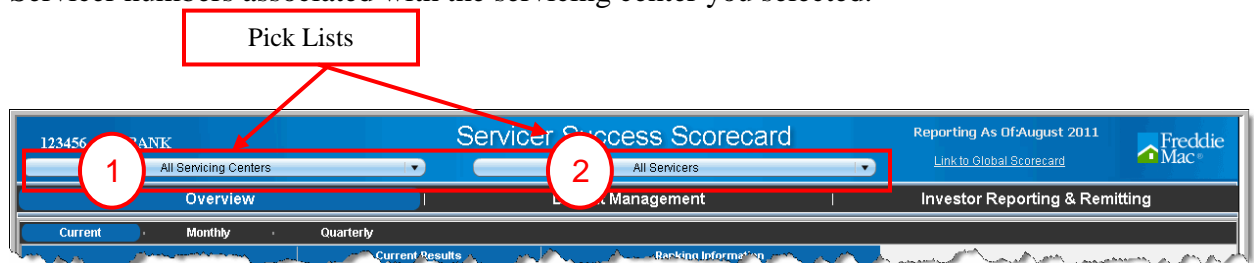


Within the Servicer family view, we have provided the capability to view performance data at the servicing center and Servicer number level.

When you choose the Servicer family view, the Servicer family name and number display at the top of the Scorecard. Additionally, two pick lists display: All Servicing Centers and All Servicers.



You can choose to view performance data for a specific servicing center associated with the Servicer family using the first pick list. The second pick list populates with the Servicer numbers associated with the servicing center you selected.



Although this functionality enables you to further refine the performance data you view, note that certain data elements on the Scorecard do not change when you choose to view data below the Servicer Family level, they continue to display the Servicer family level data. For additional information, refer to "Servicer Success Scorecard Overview Section" in this chapter.

# Access and Navigate Your Servicer Success Scorecard

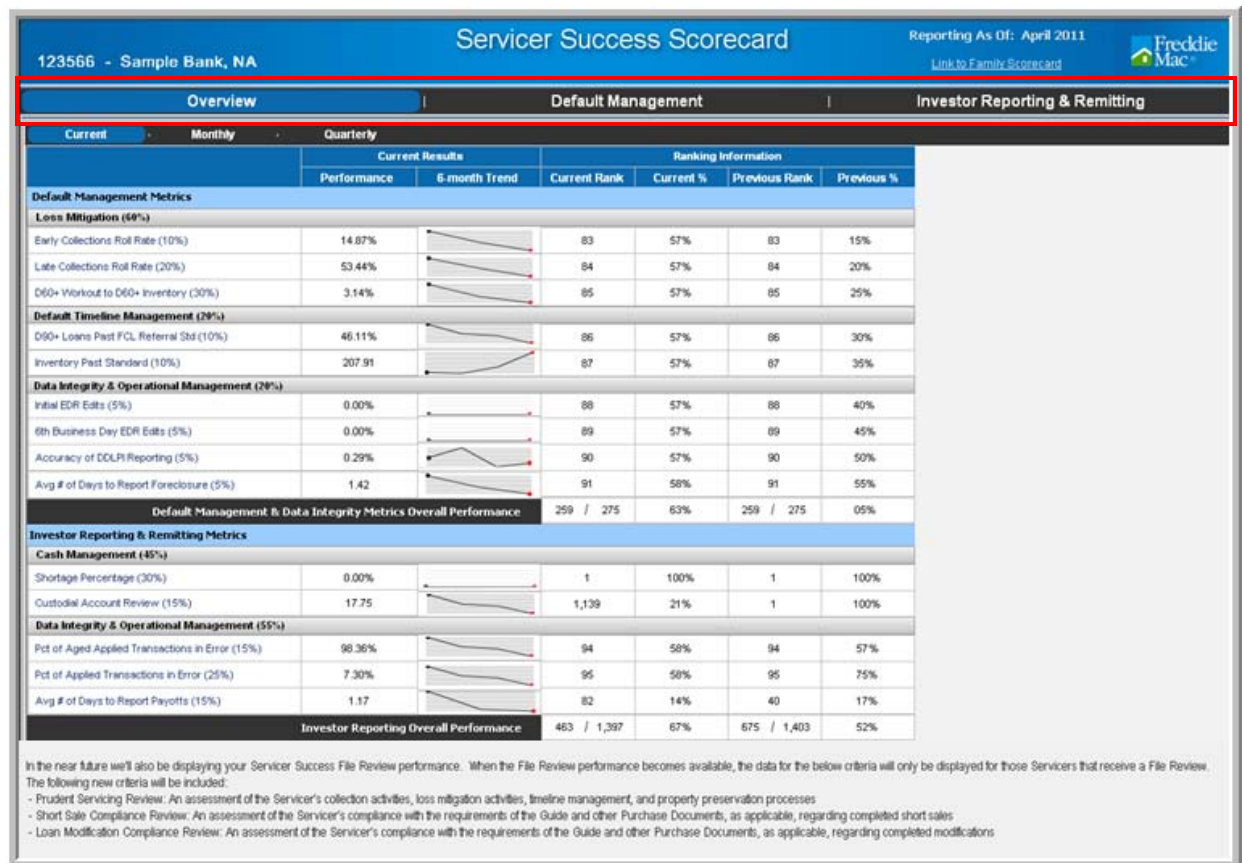
## Parts of the Scorecard

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.

Your Scorecard includes the following three primary sections, which you access using the navigation tabs at the top of the Scorecard:

- Overview
- Default Management
- Investor Reporting and Remitting

Navigation Tabs



# Access and Navigate Your Servicer Success Scorecard

## Criteria

Within each section of the Scorecard, we provide performance results for the various criteria.

In some instances, a specific data field on the Scorecard may not be applicable at that time, or we may not be able to provide performance results for a specific criterion. In these circumstances, the following designations will display on the Scorecard:

Designation	Description
N/A	The data field is not applicable.
TBD	Data is not yet available to calculate the performance.
Blank	A performance result could not be calculated based on the loan population.

The Scorecard contains the following criteria categories:

- Default Management
- Investor Reporting and Remitting
- Servicer Success File Reviews

### ***Default Management Criteria***

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

Default Management Metrics
<b>Loss Mitigation (60%)</b>
Early Collections Roll Rate (10%)
Late Collections Roll Rate (20%)
D60+ Workout to D60+ Inventory (30%)
<b>Default Timeline Management (20%)</b>
D90+ Loans Past FCL Referral Std (10%)
Inventory Past Standard (10%)
<b>Data Integrity &amp; Operational Management (20%)</b>
Initial EDR Edits (5%)
6th Business Day EDR Edits (5%)
Accuracy of DDLPI Reporting (5%)
Avg # of Days to Report Foreclosure (5%)

Refer to Chapter 5 for detailed information about each of the Default Management criteria.

# Access and Navigate Your Servicer Success Scorecard

## Investor Reporting and Remitting Criteria

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

Investor Reporting & Remitting Metrics	
<b>Cash Management (45%)</b>	
Shortage Percentage (30%)	0.00%
Custodial Account Review (15%)	0.00%
<b>Data Integrity &amp; Operational Management (55%)</b>	
Pct of Aged Applied Transactions in Error (15%)	0.00%
Pct of Applied Transactions in Error (25%)	0.00%
Avg # of Days to Report Payoffs (15%)	0.00

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

## Servicer Success File Review Criteria

The criteria for the File Review component of the Servicing Success Program also displays on the Scorecard. At this time however, we are not displaying File Review results.

In the near future we'll also be displaying your Servicer Success File Review performance. When the File Review performance becomes available, the data for the below criteria will only be displayed for those Servicers that receive a File Review. The following new criteria will be included:

- Prudent Servicing Review: An assessment of the Servicer's collection activities, loss mitigation activities, timeline management, and property preservation processes
- Short Sale Compliance Review: An assessment of the Servicer's compliance with the requirements of the Guide and other Purchase Documents, as applicable, regarding completed short sales
- Loan Modification Compliance Review: An assessment of the Servicer's compliance with the requirements of the Guide and other Purchase Documents, as applicable, regarding completed modifications

For larger-volume Servicers viewing data at the global family level, the File Review criteria displays as shown below:

Servicer Success File Review Monitoring Metrics	
Prudent Servicing Review	N/A
Short Sale Compliance Review	N/A
Loan Modification Compliance Review	N/A

Refer to Chapter 1 for detailed information about Servicer Success File Reviews.

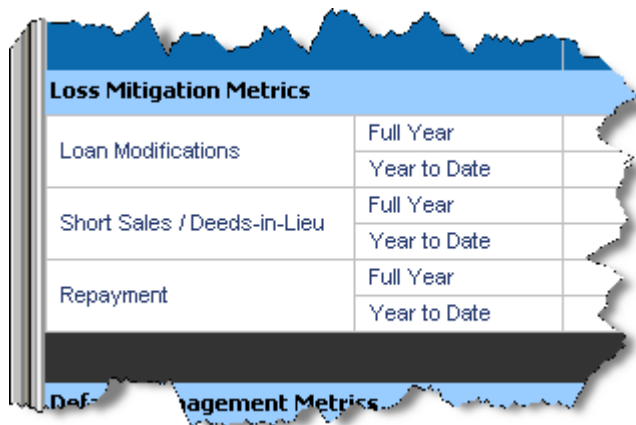
# Access and Navigate Your Servicer Success Scorecard

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## ***Additional Criteria for Larger-Volume Servicers***

Scorecards for larger-volume Servicers include one additional category: Loss Mitigation Metrics. Larger-volume Servicers have specific full-year and year-to-date performance targets for completed loan modifications, short sales and deeds-in-lieu, as well as repayment plans.

The full-year target is the total volume for the year that Freddie Mac negotiated with your organization. The year-to-date target reflects an eleven-month run rate for the full-year target.

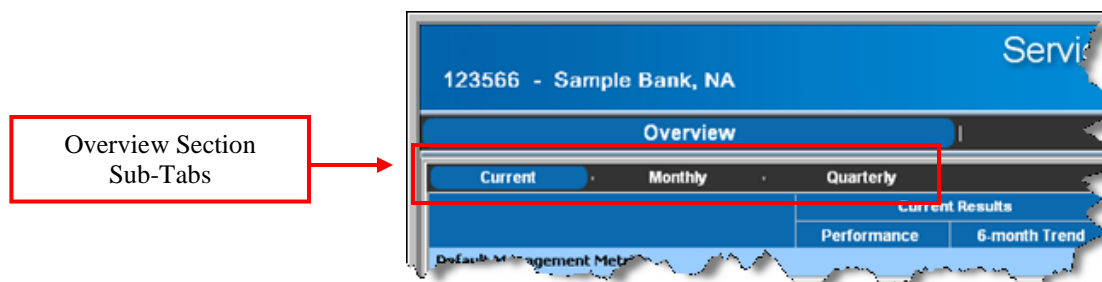


<b>Loss Mitigation Metrics</b>		
Loan Modifications	Full Year	
	Year to Date	
Short Sales / Deeds-in-Lieu	Full Year	
	Year to Date	
Repayment	Full Year	
	Year to Date	
<b>Deficiency Management Metrics</b>		

# Access and Navigate Your Servicer Success Scorecard

## Servicer Success Scorecard Overview Section

The Overview section of the Scorecard provides a view of your current, as well as historical, performance results for each of the criteria. Within this section, you can choose to view your current performance results, as well as monthly and quarterly historical data, using the sub-tabs shown below.



## Overview Section – Current Overview

The following screen displays when you select the Current sub-tab in the Overview section of the Scorecard.

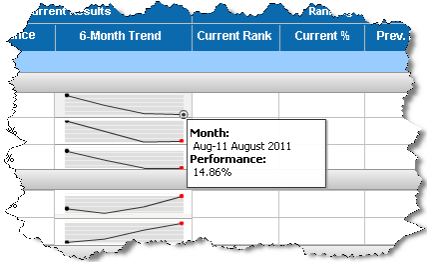
Servicer Success Scorecard							Reporting As Of: April 2011	Freddie Mac
123566 - Sample Bank, NA		Link to Family Scorecard						
Overview		Default Management			Investor Reporting & Remitting			
Current		Monthly			Quarterly			
		Current Results		Ranking Information				
		Performance	6-month Trend	Current Rank	Current %	Previous Rank	Previous %	
<b>Default Management Metrics</b>								
<b>Loss Mitigation (60%)</b>								
Early Collections Roll Rate (10%)	14.87%		83	57%	83	15%		
Late Collections Roll Rate (20%)	53.44%		84	57%	84	20%		
D60+ Workout to D60+ Inventory (30%)	3.14%		85	57%	85	25%		
<b>Default Timeline Management (20%)</b>								
D90+ Loans Past FCL Referral Std (10%)	46.11%		86	57%	86	30%		
Inventory Past Standard (10%)	207.91		87	57%	87	35%		
<b>Data Integrity &amp; Operational Management (20%)</b>								
Initial EDR Edits (5%)	0.00%		88	57%	88	40%		
6th Business Day EDR Edits (5%)	0.00%		89	57%	89	45%		
Accuracy of DCLPI Reporting (5%)	0.29%		90	57%	90	50%		
Avg # of Days to Report Foreclosure (5%)	1.42		91	58%	91	55%		
<b>Default Management &amp; Data Integrity Metrics Overall Performance</b>				259 / 275	63%	259 / 275	65%	
<b>Investor Reporting &amp; Remitting Metrics</b>								
<b>Cash Management (45%)</b>								
Shortage Percentage (30%)	0.00%		1	100%	1	100%		
Custodial Account Review (15%)	17.75		1,139	21%	1	100%		
<b>Data Integrity &amp; Operational Management (55%)</b>								
Pct of Aged Applied Transactions in Error (15%)	88.36%		94	58%	94	57%		
Pct of Applied Transactions in Error (25%)	7.30%		95	58%	95	75%		
Avg # of Days to Report Payoffs (15%)	1.17		82	14%	40	17%		
<b>Investor Reporting Overall Performance</b>				463 / 1,397	67%	675 / 1,403	52%	

In the near future we'll also be displaying your Servicer Success File Review performance. When the File Review performance becomes available, the data for the below criteria will only be displayed for those Servicers that receive a File Review. The following new criteria will be included:

- Prudent Servicing Review: An assessment of the Servicer's collection activities, loss mitigation activities, timeline management, and property preservation processes
- Short Sale Compliance Review: An assessment of the Servicer's compliance with the requirements of the Guide and other Purchase Documents, as applicable, regarding completed short sales
- Loan Modification Compliance Review: An assessment of the Servicer's compliance with the requirements of the Guide and other Purchase Documents, as applicable, regarding completed modifications

## Access and Navigate Your Servicer Success Scorecard

The following table identifies the data displayed in each column.

Column	Description
Performance	<p>Your actual performance for each criterion for the current reporting period.</p> <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>
6-Month Trend	<p>Your organization's six-month performance trend, displayed in line graph format.</p> <p>Position your cursor over any point on the line graph to display the month and its corresponding performance result.</p> 
Current Rank	<p>How your performance compares to the performance of other Servicers. If you service fewer than 25 mortgages that are 90+ days delinquent, 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. For additional information, refer to “Ranking” in this chapter.</p> <p>Note that for the following default management criteria, your actual performance is compared to the performance of your synthetic portfolio prior to ranking:</p> <ul style="list-style-type: none"> <li>▪ Early Collections Roll Rate</li> <li>▪ Late Collections Roll Rate</li> <li>▪ D60+ Workout to D60+ Inventory</li> <li>▪ D90+ Loans Past Foreclosure Referral Standard</li> <li>▪ Inventory Past Standard</li> </ul> <p>For additional information about your synthetic portfolio, refer to “What is a Synthetic Portfolio?” in this chapter.</p> <p><b>Note that Current Rank applies only for the global family and Servicer family views. When viewing data for a specific servicing center or Servicer, this data will not change; it will continue to display the Current Rank of the Servicer family.</b></p>

## Access and Navigate Your Servicer Success Scorecard

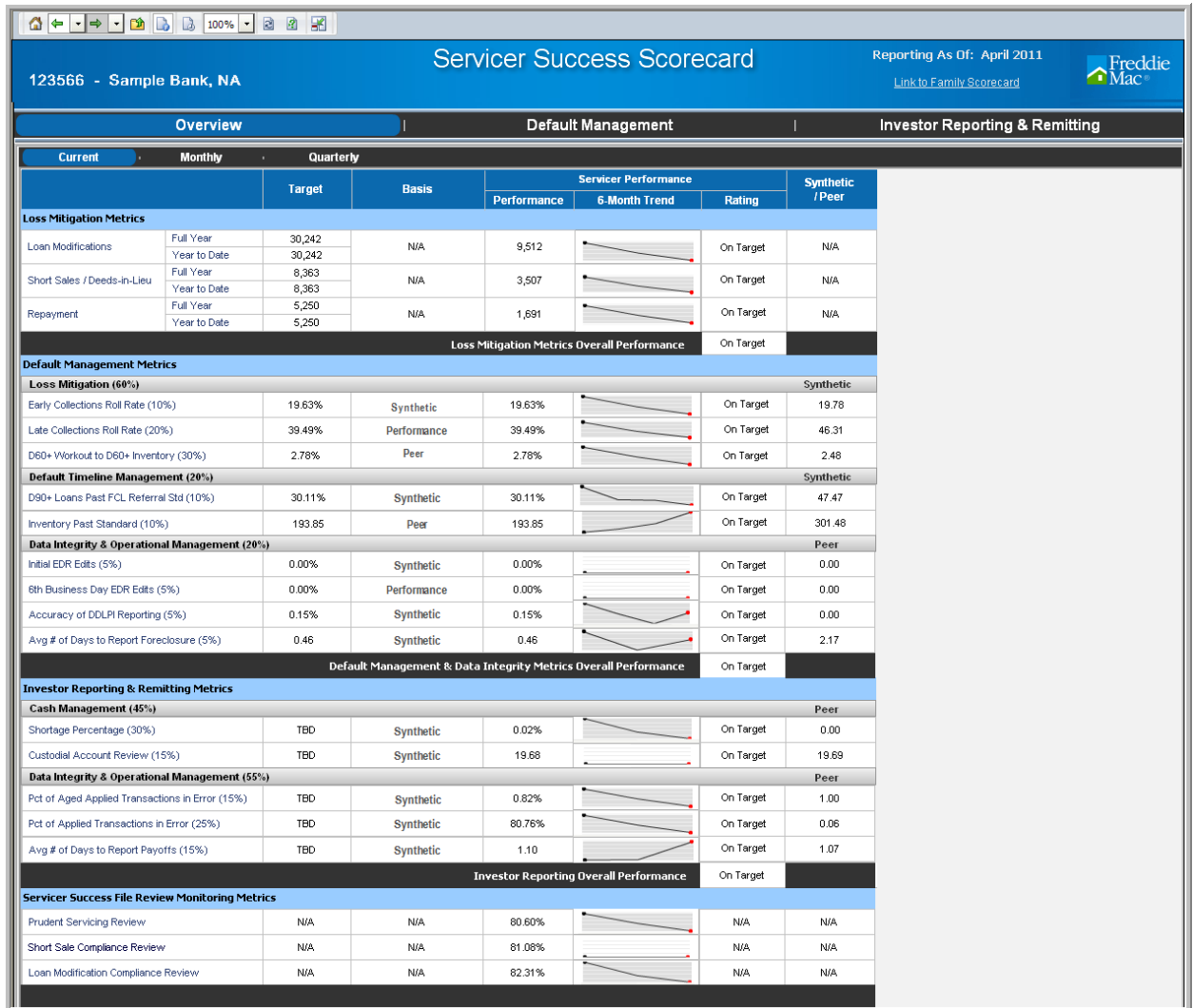
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Column	Description
Current Percentile	<p>Indicates the percent of Servicers who received a rank equal to or below your organization's rank for the criterion. Higher values indicate better performance.</p> <p>For example, if you receive a rank of 1, you are in the 100<sup>th</sup> percentile. This means that 100 percent of the other Servicers ranked for the criterion received a rank equal to or below your rank.</p> <p><b>Note that Current Percentile applies only for the global family and Servicer family views. When viewing data for a specific servicing center or Servicer, this data will not change; it will continue to display the Current Percentile for the Servicer Family.</b></p>
Previous Rank	<p>Your organization's rank for the previous month. If performance cannot be calculated for a criterion, you will not be ranked for that criterion.</p> <p><b>Note that Previous Rank applies only for the global family and Servicer family views. When viewing data for a specific servicing center or Servicer, this data will not change; it will continue to display the Previous Rank for the Servicer family.</b></p>
Previous Percentile	<p>Your organization's percentile for the previous month.</p> <p><b>Note that Previous Percentile applies only for the global family and Servicer family views. When viewing data for a specific servicing center or Servicer, this data will not change; it will continue to display the Previous Percentile for the Servicer family.</b></p>

# Access and Navigate Your Servicer Success Scorecard

## Overview Section – Current Overview for Larger-Volume Servicers

The Current Overview for larger-volume Servicers is shown below:



The following table outlines the data displayed for larger-volume Servicers in the Current Overview:

Column	Description
Target	Your organization's performance goal for a specific criterion. Note that the criteria displayed in the Loss Mitigation metrics section provides full-year and year-to-date targets. <b>Note that Target displays only for the global family view.</b>


## Access and Navigate Your Servicer Success Scorecard

Column	Description
Basis	<p>Indicates how your performance target was determined. One of the following displays for each criterion:</p> <ul style="list-style-type: none"> <li>▪ Performance (target based on Servicer’s past performance)</li> <li>▪ Synthetic (target based on performance of the synthetic portfolio)</li> <li>▪ Peer (target based on performance of peer group)</li> </ul> <p><b>Note that Basis displays only for the global family view.</b></p>
Performance	<p>Your actual performance for each of the criteria for the current reporting period. Note that for the Loss Mitigation metrics, the performance reflects the number of loan modifications, short sales and deeds-in-lieu, and repayment plans through the assessment period.</p> <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>
6-Month Trend	<p>Your organization’s six-month performance trend, displayed in line graph format.</p> <p>Position your cursor over any point on the line graph to display the month and its corresponding performance result.</p>
Rating	<p>Indicates your current month’s performance for the criterion as one of the following:</p> <ul style="list-style-type: none"> <li>▪ Above Target</li> <li>▪ On Target</li> <li>▪ Below Target</li> </ul> <p><b>Note that Rating displays only for the global family view.</b></p>
Synthetic/Peer	<p>Displays the current month’s performance for the synthetic portfolio or peer group.</p> <p><b>Note that Synthetic/Peer data displays data only for the global family and Servicer family views. When viewing data for a specific servicing center, this data will not display.</b></p>

# Access and Navigate Your Servicer Success Scorecard

## Overview Section - Monthly Overview

When you select the Monthly sub-tab in the Overview section of the Scorecard, the following screen displays:

Servicer Success Scorecard													Reporting As Of: April 2011		
123566 - Sample Bank, NA													<a href="#">Link to Family Scorecard</a>		
Overview			Default Management						Investor Reporting & Remitting						
Current	Monthly	Quarterly													
	Dec-11	Nov-11	Oct-11	Sep-11	Aug-11	Jul-11	Jun-11	May-11	Apr-11	Mar-11	Feb-11	Jan-11			
<b>Default Management Metrics</b>															
<b>Loss Mitigation (60%)</b>															
Early Collections Roll Rate (10%)	16.57%	11.43%	16.94%	16.57%	11.43%	16.94%	16.57%	11.43%	16.94%	16.57%	11.43%	16.94%			
Late Collections Roll Rate (20%)	53.59%	47.21%	59.42%	53.59%	47.21%	59.42%	53.59%	47.21%	59.42%	53.59%	47.21%	59.42%			
D60+ Workout to D60+ Inventory (30%)	4.48%	2.27%	2.85%	4.48%	2.27%	2.85%	4.48%	2.27%	2.85%	4.48%	2.27%	2.85%			
<b>Default Timeline Management (20%)</b>															
D90+ Loans Past FCL Referral Std (10%)	46.11%	53.48%	55.28%	46.11%	53.48%	55.28%	46.11%	53.48%	55.28%	46.11%	53.48%	55.28%			
Inventory Past Standard (10%)	222.96	206.66	195.85	222.96	206.66	195.85	222.96	206.66	195.85	222.96	206.66	195.85			
<b>Data Integrity &amp; Operational Management (20%)</b>															
Initial EDR Edits (5%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
8th Business Day EDR Edits (5%)	1.37%	0.00%	0.00%	1.37%	0.00%	0.00%	1.37%	0.00%	0.00%	1.37%	0.00%	0.00%			
Accuracy of DDLPI Reporting (5%)	0.29%	0.00%	1.41%	0.29%	0.00%	1.41%	0.29%	0.00%	1.41%	0.29%	0.00%	1.41%			
Avg # of Days to Report Foreclosure (5%)	1.42	1.46	1.53	1.42	1.46	1.53	1.42	1.46	1.53	1.42	1.46	1.53			
<b>Investor Reporting &amp; Remitting Metrics</b>															
<b>Cash Management (45%)</b>															
Shortage Percentage (30%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Custodial Account Review (15%)	17.75	20.00	20.00	17.75	20.00	20.00	17.75	20.00	20.00	17.75	20.00	20.00			
<b>Data Integrity &amp; Operational Management (55%)</b>															
Pct of Aged Applied Transactions in Error (15%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Pct of Applied Transactions in Error (25%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Avg # of Days to Report Payoffs (15%)	1.17	1.25	2.00	1.17	1.25	2.00	1.17	1.25	2.00	1.17	1.25	2.00			

For the most recent twelve months, the Monthly Overview reflects the performance result for each criterion for each month – not the rolling three-month average that applies to certain criteria.

The Monthly Overview is the same for all Servicers, including larger-volume Servicers.

# Access and Navigate Your Servicer Success Scorecard

## Overview Section - Quarterly Overview

Your Scorecard also provides you with a snapshot of your performance for each criterion and overall performance for each category as of the end of the last four quarters.

Servicer Success Scorecard													Reporting As Of:	Freddie Mac		
123566 - Sample Bank, NA												<a href="#">Link to Family Scorecard</a>				
Overview				Default Management						Investor Reporting & Remitting						
Current	Monthly	Quarterly			Dec-11			Sep-11			Jun-11			Mar-11		
		Perf.	Rank	%	Perf.	Rank	%	Perf.	Rank	%	Perf.	Rank	%			
<b>Default Management Metrics</b>																
<b>Loss Mitigation (60%)</b>																
Early Collections Roll Rate (10%)		24.23%	83	15%	24.23%	83	15%	24.23%	83	15%	24.23%	83	15%			
Late Collections Roll Rate (20%)		85.68%	84	20%	85.68%	84	20%	85.68%	84	20%	85.68%	84	20%			
D60+ Workout to D60+ Inventory (30%)		3.96%	85	25%	3.96%	85	25%	3.96%	85	25%	3.96%	85	25%			
<b>Default Timeline Management (20%)</b>																
D90+ Loans Past FCL Referral Std (10%)		53.48%	86	30%	53.48%	86	30%	53.48%	86	30%	53.48%	86	30%			
Inventory Past Standard (10%)		197.34	87	35%	197.34	87	35%	197.34	87	35%	197.34	87	35%			
<b>Data Integrity &amp; Operational Management (20%)</b>																
Initial EDR Edits (5%)		0.00%	88	40%	0.00%	88	40%	0.00%	88	40%	0.00%	88	40%			
6th Business Day EDR Edits (5%)		0.00%	89	45%	0.00%	89	45%	0.00%	89	45%	0.00%	89	45%			
Accuracy of DDLPI Reporting (5%)		0.00%	90	50%	0.00%	90	50%	0.00%	90	50%	0.00%	90	50%			
Avg # of Days to Report Foreclosure (5%)		1.47	91	55%	1.47	91	55%	1.47	91	55%	1.47	91	55%			
<b>Default Mgmt &amp; Data Integrity Metrics Overall Perf.</b>		259 / 275 05%			259 / 275 05%			259 / 275 05%			259 / 275 05%					
<b>Investor Reporting &amp; Remitting Metrics</b>																
<b>Cash Management (45%)</b>																
Shortage Percentage (30%)		0.00%	1	100%	0.00%	1	100%	0.00%	1	100%	0.00%	1	100%			
Custodial Account Review (15%)		20.00	1	100%	20.00	1	100%	20.00	1	100%	20.00	1	100%			
<b>Data Integrity &amp; Operational Management (55%)</b>																
Pct of Aged Applied Transactions in Error (15%)		98.36%	94	57%	98.36%	94	57%	98.36%	94	57%	98.36%	94	57%			
Pct of Applied Transactions in Error (25%)		7.30%	95	75%	7.30%	95	75%	7.30%	95	75%	7.30%	95	75%			
Avg # of Days to Report Payoffs (15%)		1.25	40	17%	1.25	40	17%	1.25	40	17%	1.25	40	17%			
<b>Investor Reporting Overall Performance</b>		675 / 1,403 52%			675 / 1,403 52%			675 / 1,403 52%			675 / 1,403 52%					

The following table outlines the data displayed on the Quarterly Overview:

Column	Description
Performance	Displays your performance for each criterion as of the end of the time period indicated. If we are unable to calculate performance for a given criterion due to insufficient data, the field will be blank.
Rank	Displays your rank as of the end of the time period indicated. If performance cannot be calculated for a criterion, you will not be ranked for that criterion. <b>Note that Rank applies only for the global family and Servicer family views. When viewing data for a specific servicing center or Servicer, this data will not change; it will continue to display the Rank for the Servicer family.</b>
Percentile	Indicates the percent of Servicers who received a rank equal to or below your organization's rank for the criterion as of the end of the time period indicated. <b>Note that Percentile applies only for the global family and Servicer family views. When viewing data for a specific servicing center or Servicer, this data will not change; it will continue to display the Percentile for the Servicer family.</b>

# Access and Navigate Your Servicer Success Scorecard

## Overview Section - Quarterly Overview for Larger-Volume Servicers

Below is the Quarterly Overview for larger-volume Servicers:

123566 - Sample Bank, NA														Servicer Success Scorecard						Reporting As Of:		Freddie Mac	
Overview				Default Management						Investor Reporting & Remitting													
Current		Monthly		Quarterly		Dec-11		Sep-11		Jun-11		Mar-11											
	Target	Basis	Perf.	Rating	Syn./Pe.	Perf.	Rating	Syn./Pe.	Perf.	Rating	Syn./Pe.	Perf.	Rating	Syn./Pe.									
<b>Loss Mitigation Metrics</b>																							
Loan Modifications	Full Year	30,242	N/A	7,293.00	On Target	N/A	7,293.00	On Target	N/A	7,293.00	On Target	N/A	7,293.00	On Target	N/A								
	Year to Date	30,242																					
Short Sales / Deeds-in-Lieu	Full Year	8,363	N/A	2,758.00	On Target	N/A	2,758.00	On Target	N/A	2,758.00	On Target	N/A	2,758.00	On Target	N/A								
	Year to Date	8,363																					
Repayment	Full Year	5,250	N/A	1,302.00	On Target	N/A	1,302.00	On Target	N/A	1,302.00	On Target	N/A	1,302.00	On Target	N/A								
	Year to Date	5,250																					
<b>Loss Mitigation Metrics Overall Performance</b>																							
<b>Default Management Metrics</b>																							
<b>Loss Mitigation (60%)</b>																							
			Synthetic			Synthetic			Synthetic			Synthetic											
Early Collections Roll Rate (10%)	19.63%	Synthetic	29.22%	On Target	19.78	29.22%	On Target	19.78	29.22%	On Target	19.78	29.22%	On Target	19.78									
Late Collections Roll Rate (20%)	39.49%	Performance	58.01%	On Target	46.31	58.01%	On Target	46.31	58.01%	On Target	46.31	58.01%	On Target	46.31									
D60+ Workout to D60+ Inventory (30%)	2.78%	Peer	3.70%	On Target	2.48	3.70%	On Target	2.48	3.70%	On Target	2.48	3.70%	On Target	2.48									
<b>Default Timeline Management (20%)</b>																							
			Synthetic			Synthetic			Synthetic			Synthetic											
D90+ Loans Past FCL Referral Std (10%)	30.11%	Synthetic	33.56%	On Target	47.47	33.56%	On Target	47.47	33.56%	On Target	47.47	33.56%	On Target	47.47									
Inventory Past Standard (10%)	193.85	Peer	188.99	On Target	301.48	188.99	On Target	301.48	188.99	On Target	301.48	188.99	On Target	301.48									
<b>Data Integrity &amp; Operational Management (20%)</b>																							
			Peer			Peer			Peer			Peer											
Initial EDR Edits (5%)	0.00%	Synthetic	0.00%	On Target	0.00%	0.00%	On Target	0.00%	0.00%	On Target	0.00%	0.00%	On Target	0.00%									
6th Business Day EDR Edits (5%)	0.00%	Performance	0.00%	On Target	0.00%	0.00%	On Target	0.00%	0.00%	On Target	0.00%	0.00%	On Target	0.00%									
Accuracy of DDLPI Reporting (5%)	0.15%	Synthetic	0.00%	On Target	0.00%	0.00%	On Target	0.00%	0.00%	On Target	0.00%	0.00%	On Target	0.00%									
Avg # of Days to Report Foreclosure (5%)	0.46	Synthetic	0.45	On Target	2.06	0.45	On Target	2.06	0.45	On Target	2.06	0.45	On Target	2.06									
<b>Default Management &amp; Data Integrity Metrics Overall Performance</b>																							
<b>Investor Reporting &amp; Remitting Metrics</b>																							
<b>Cash Management (45%)</b>																							
			Peer			Peer			Peer			Peer											
Shortage Percentage (30%)	TBD	Synthetic	0.03%	On Target	(0.01%)	0.03%	On Target	(0.01%)	0.03%	On Target	(0.01%)	0.03%	On Target	(0.01%)									
Custodial Account Review (15%)	TBD	Synthetic	19.68	On Target	19.69	19.68	On Target	19.69	19.68	On Target	19.69	19.68	On Target	19.69									
<b>Data Integrity &amp; Operational Management (55%)</b>																							
			Peer			Peer			Peer			Peer											
Pct of Aged Applied Transactions in Error (15%)	TBD	Synthetic	0.82%	On Target	1.00	0.82%	On Target	1.00	0.82%	On Target	1.00	0.82%	On Target	1.00									
Pct of Applied Transactions in Error (25%)	TBD	Synthetic	80.76%	On Target	0.06	80.76%	On Target	0.06	80.76%	On Target	0.06	80.76%	On Target	0.06									
Avg # of Days to Report Payoffs (15%)	TBD	Synthetic	1.10	On Target	1.07	1.10	On Target	1.07	1.10	On Target	1.07	1.10	On Target	1.07									
<b>Investor Reporting Overall Performance</b>																							
<b>Servicer Success File Review Monitoring Metrics</b>																							
Prudent Servicing Review	N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A									
Short Sale Compliance Review	N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A									
Loan Modification Compliance Review	N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A		N/A	N/A									

The following information displays on the Quarterly Overview for larger-volume Servicers:

Column	Description
Performance	Displays your performance for each criterion as of the end of the time period indicated.
Rating	Displays your rating as of the end of the time period indicated. <b>Note that Rating data displays only for the global family view.</b>
Synthetic/Peer	Displays the performance for the synthetic portfolio or peer group as of the end of the time period indicated. <b>Note that Synthetic/Peer data displays only for the global family and Servicer family views. When viewing data for a specific servicing center, this data will not display.</b>

# Access and Navigate Your Servicer Success Scorecard

## Access Additional Detailed Performance Data

In addition to the information provided in the Overview section of the Scorecard, additional detailed data is available that will help you further understand your performance for the current reporting period and historical performance in the Default Management and Investor Reporting and Remitting categories. The additional loan-level detail data is available only at the Servicer family level. It is not available at the global level.



## Default Management

When you click **Default Management**, three sub-tabs display and provide access to detailed data for the criteria, as outlined below:



The following sub-tab:	Displays data for the following criteria:
Loss Mitigation	<ul style="list-style-type: none"> <li>▪ Early Collections Roll Rate</li> <li>▪ Late Collections Roll Rate</li> <li>▪ D60+ Workout to D60+ Inventory</li> </ul>
Default Timeline Management	<ul style="list-style-type: none"> <li>▪ D90+ Loans Past Foreclosure Referral Standard</li> <li>▪ Inventory Past Standard</li> </ul>
Data Integrity	<ul style="list-style-type: none"> <li>▪ Initial EDR Edits</li> <li>▪ Sixth Business Day EDR Edits</li> <li>▪ Accuracy of DDLPI Reporting</li> <li>▪ Average Number of Days to Report Foreclosure Sales</li> </ul>

Detailed data for each criterion includes the following:

- A line graph that displays your performance results for the criterion for the last 12 months. For larger-volume Servicers, the target and synthetic portfolio or combined peer group results for the criterion over the last 12 months also displays.
- A description of the criterion
- How your performance for the criterion is calculated

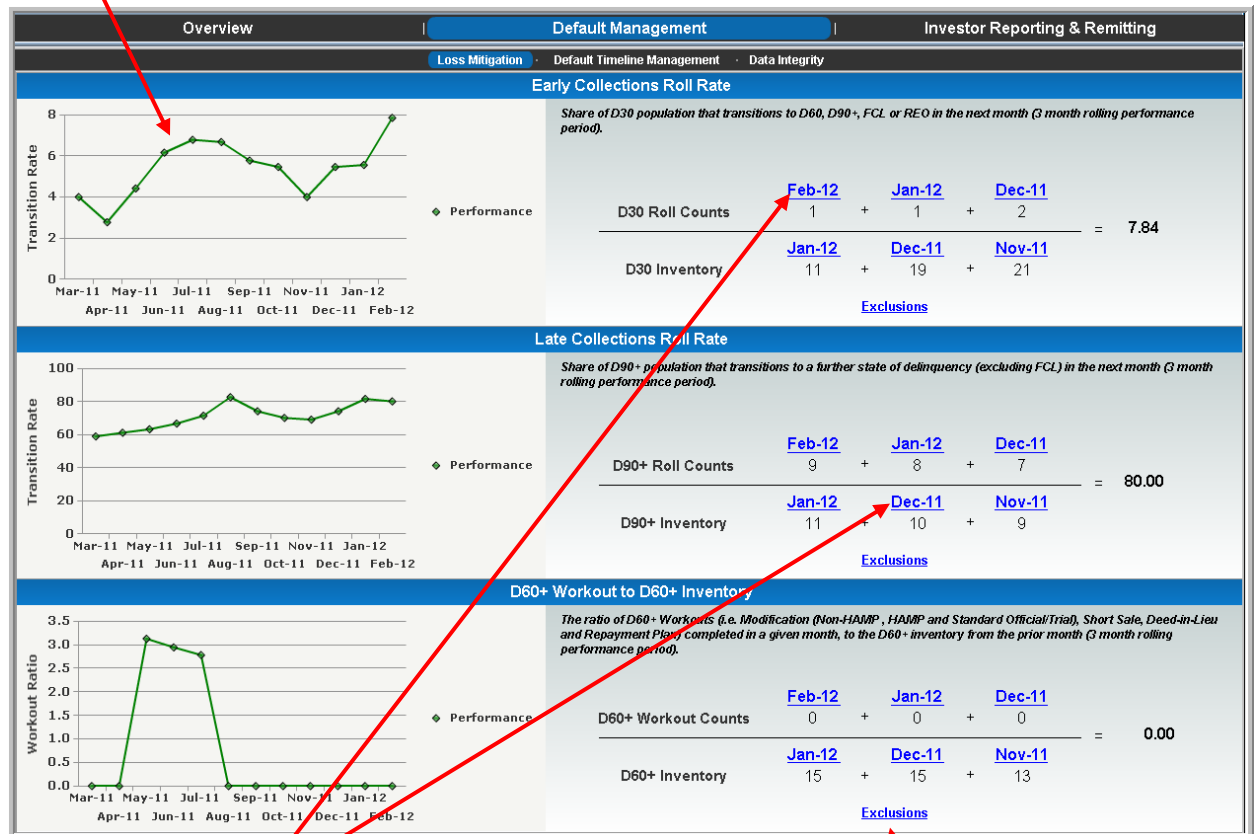
# Access and Navigate Your Servicer Success Scorecard

Additionally, for each criterion, you will have access to loan detail reports, and a link to loans excluded from the performance calculation. This drilldown capability is only available in the Servicer family view. For additional information, refer to “How to Export Your Loan Detail Data” in this chapter.

## Example

Below is an example of the detailed information displayed for the Early Collections Roll Rate, Late Collections Roll Rate, and D60+ Workout to D60+ Inventory criteria. In this example, we are in the Servicer family view.

A line graph displays your performance trend 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.



Click the dates in the numerator and denominator to access loan detail reports that reflect the individual loans included in the calculation.

Links to the loan detail reports are available only in the Servicer family view. You cannot access the loan detail reports in the global view.

Click the Exclusion link to view individual loans excluded from the calculation.

Links to the loan detail reports for exclusions are available only in the Servicer family view. You cannot access this information in the global view.

# Access and Navigate Your Servicer Success Scorecard

## Investor Reporting and Remitting

When you click **Investor Reporting and Remitting**, two sub-tabs display and provide access to detailed data for each of the criteria, as outlined below:



The following sub-tab:	Displays data for the following criteria:
Cash Management	<ul style="list-style-type: none"><li>▪ Shortage Percentage</li><li>▪ Custodial Account Review</li></ul>
Data Integrity and Operational Management	<ul style="list-style-type: none"><li>▪ Percentage of Aged Applied Transactions in Error</li><li>▪ Percentage Applied Transactions in Error</li><li>▪ Average Number of Days to Report Payoffs</li></ul>

The same detailed data that displays for the default management criteria, also displays for the investor reporting and remitting criteria:

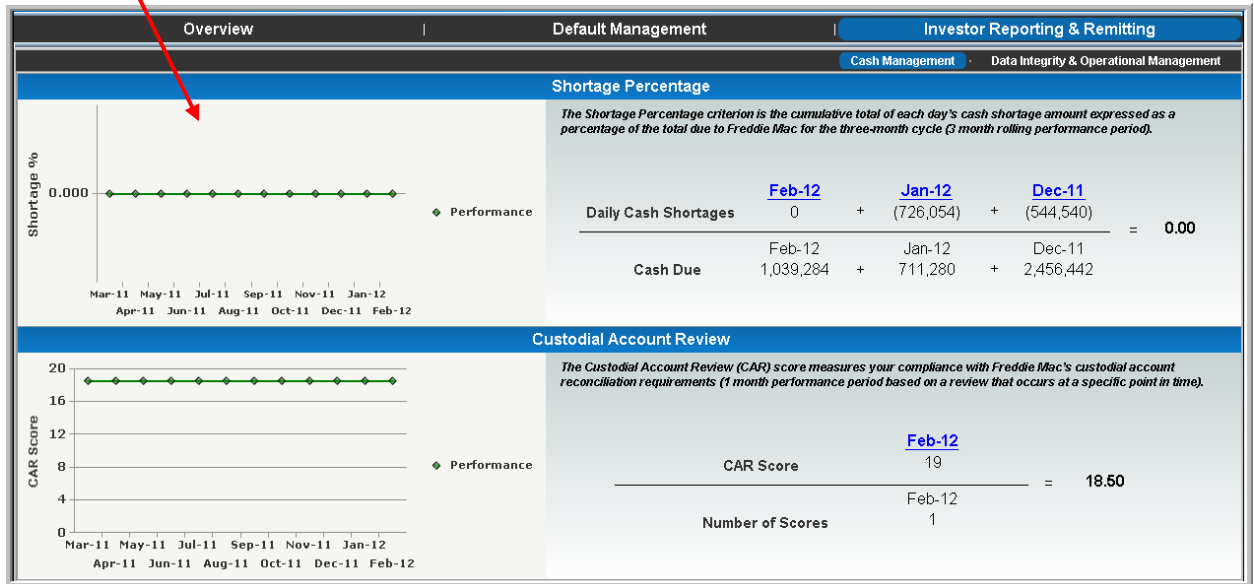
- A line graph that displays your performance results for the criterion for the last 12 months. For larger-volume Servicers, the target and synthetic portfolio or combined peer group results for the criterion over the last 12 months also displays.
- A description of the criterion
- How your performance for the criterion is calculated

# Access and Navigate Your Servicer Success Scorecard

## Example

Below is an example of the detailed information displayed for Shortage Percentage and Custodial Account Review criteria. In this example, we are in the Servicer family view.

A line graph displays your performance trend 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.

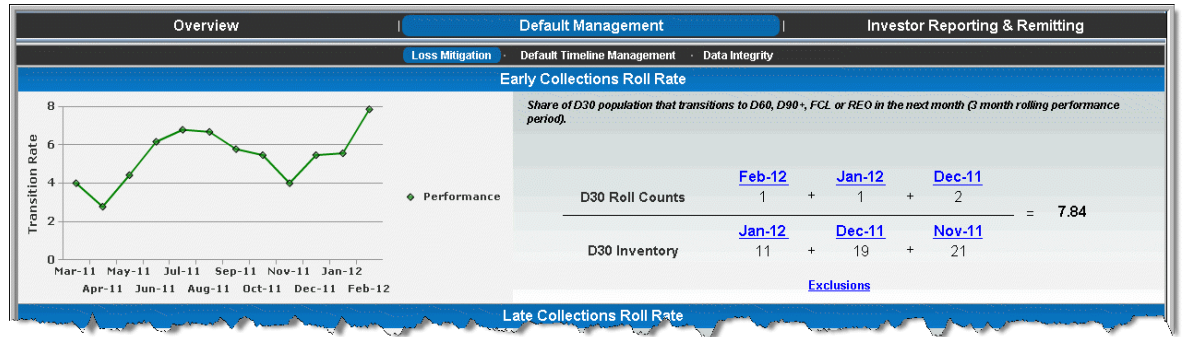


# Access and Navigate Your Servicer Success Scorecard

## How to Export Your Loan Detail Data

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

1. Click the link that corresponds to the loan-level detail data you want to access.



The loan detail data 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:

Export: Whole report

Export Header and Footer: Edit Custom Settings...

**Excel options:**

Excel with plain text

CSV file format

Excel with formatting

HTML

Plain text

Delimiter: Comma

Export metric values as text

Export headers as text

**Excel with formatting options:**

Embed all images

Export Report Title

Export filter details

Remove extra column: Automatic

Export

# Access and Navigate Your Servicer Success Scorecard

3. Select your export options.

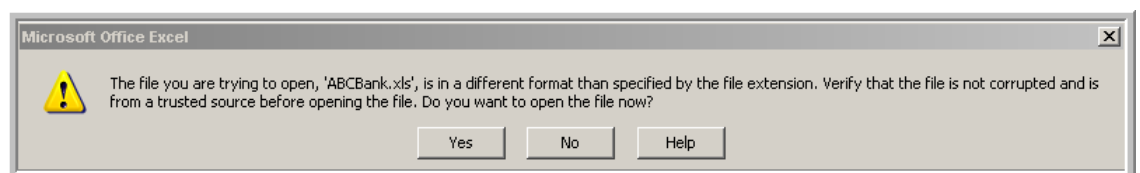
The screenshot shows the export options dialog box with several callout boxes:

- Top Left:** "We recommend you select 'Whole Report' from the pick list." (points to the 'Export: Whole report' dropdown)
- Top Center:** "Select either 'Excel with Plain Text' or 'Excel with Formatting.'" (points to the radio button options)
- Top Right:** "Ensure that 'Export Metric Values as Text' and 'Export Headers as Text' are selected." (points to the checked checkboxes)
- Center:** "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)
- Bottom Left:** "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 a red box around the 'Export' button in the bottom right corner and a red arrow pointing to it.

The loan detail 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

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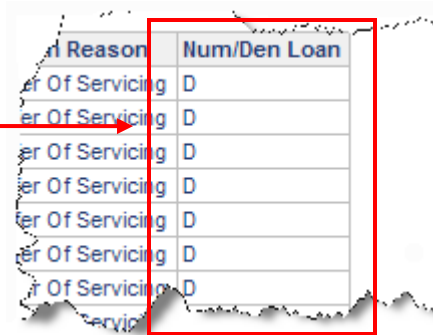
## Additional Information about the Loan Detail Reports

Keep the following in mind as you review the loan detail reports:

- The loan detail reports for values displayed in the numerator and denominator contain only the loans that were included in the calculation for the selected month.
- The Exclusion report includes all loans excluded from the numerator and/or denominator for the criterion for an entire reporting period. For example, when you view the Exclusion report for the March 2012 Scorecard, the report will contain all loans excluded from the numerator and/or denominator for the months of January, February, and March.

View the last column of the report to determine whether the loan was excluded from the numerator, denominator, or both.

A “D” indicates the loan was excluded from the denominator; an “N” indicates it was excluded from the numerator.



Reason	Num/Den Loan
er Of Servicing	D
er Of Servicing	D
er Of Servicing	D
er Of Servicing	D
er Of Servicing	D
er Of Servicing	D
er Of Servicing	D

- Multiple line items for a loan will display on the Exclusions report if any of the following occur:
  - The loan was excluded from both the numerator and denominator.
  - The loan was excluded from a criterion for multiple reasons.
  - The loan was excluded for more than one month within the performance period.

# Access and Navigate Your Servicer Success Scorecard

## Ranking

You will receive a rank for each criterion (if performance can be calculated), as well as an overall rank for the Investor Reporting and Remitting category and Default Management category, as outlined below. The rank you receive indicates how you performed relative to other Servicers.

Larger-volume Servicers with individual performance requirements for all criteria are not included in the rankings, and will continue to be measured against their individual performance targets.

Category	To receive a rank for an individual criterion:	To receive an overall rank for the category:
Investor Reporting and Remitting	Sufficient data must be available to calculate the performance for the criterion.	Sufficient data must be available to calculate the performance for at least one of the Investor Reporting and Remitting criteria.
Default Management	<ul style="list-style-type: none"> <li>▪ You must service a minimum of 25 mortgages that are 90+ days delinquent, and</li> <li>▪ Sufficient data must be available to calculate the performance for the criterion.</li> </ul>	<ul style="list-style-type: none"> <li>▪ You must service a minimum of 25 mortgages that are 90+ days delinquent, and</li> <li>▪ Sufficient data must be available to calculate the performance for at least one of the Default Management criteria.</li> </ul>

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 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 <b>is</b> sufficient data to calculate your performance	We proceed to Step 2.
There <b>is not</b> sufficient data to calculate your performance	We do not calculate your performance and you do not receive a ranking for the criterion.

## Access and Navigate Your Servicer Success Scorecard

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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"><li>▪ Early Collections Roll Rate</li><li>▪ Late Collections Roll Rate</li><li>▪ D60+Workouts to D60+ Inventory</li><li>▪ D90+ Loans Past Foreclosure Referral Standard</li><li>▪ Inventory Past Standard</li></ul>	We compare your actual performance to the performance of the synthetic portfolio, and then proceed to Step 3.
Any other criteria	We proceed to Step 3.

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 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.



# Access and Navigate Your Servicer Success Scorecard

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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
- Product type
- Year of origination
- Original unpaid principal balance amount
- Occupancy status

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:

- Early Collections Roll Rate
- Late Collections Roll Rate
- D60+ Workout to D60+ Inventory
- D90+ Loans Past Foreclosure Referral Standard
- Inventory Past Standard

## 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.

# Access and Navigate Your Servicer Success Scorecard

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## Unacceptable Results

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

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

For additional information, refer to Guide Section 51.11.

## Executive Summary Report

You may receive an Executive Summary Report (ESR) based upon the aggregated performance data of your global family. To receive access to aggregated global family performance data, the parent entity must provide written approval to share the aggregated information with their subsidiaries. An officer or individual with appropriate corporate authority to approve disclosure of the subsidiary's performance data in aggregated form must provide the written approval.

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
- 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.

For more information on how to provide written approval and request an ESR, contact your Freddie Mac Servicing Account Manager or 800-FREDDIE.

## **Access and Navigate Your Servicer Success Scorecard**

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# Investor Reporting and Remitting Criteria

# 3

## Introduction

The Investor Reporting and Remitting section of the Servicer Success Scorecard includes activities that involve timely and accurate reporting, collecting, remitting principal and interest (P&I) payments, reconciling custodial accounts, timely reporting of exception events (for example, payoffs) and maintaining data integrity for loans you service.

We measure your performing loan efforts in three major areas (a, b & c below) using five weighted criteria. Each criterion and its weighted percentage are listed below.

Criteria (1-5)	Weights
a. Cash Management	
1. Shortage Percentage.....	30%
2. Custodial Account Review .....	15%
b. Data Integrity Management	
3. Percentage of Aged Applied Transactions in Error .....	15%
c. Operational Management	
4. Percentage Applied Transactions in Error .....	25%
5. Average Number of Days to Report Payoffs .....	15%
Totals	100%

# Investor Reporting and Remitting Criteria

## Cash Management – Shortage Percentage (Weight: 30 percent)

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 rolling three-month cycle. The cumulative cash shortage amount assesses the amount of the shortage compared to your total remittances due.

### Calculation

The Shortage Percentage criterion is calculated as follows:

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

### 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 rolling three-month cycle (\$1,235,879.00) to calculate the shortage percentage (18.9 percent).

Cash Management			
Family #	123456		
Cycle:	xxxx/05/15		
Total Remittances due for cycle:	\$1,235,879.00		
Total days in cycle:	30		
Remittance Date	Servicer Number	Daily Servicer Shortage Amount	Days Shortage Amount > \$1,000 (Additional Performance Criteria – Optional)
04/18/xx	123456	(751.24)	
	753159	(8,125.32)	Yes
04/23/xx	753159	(100,125.78)	Yes
04/25/xx	123456	(500.01)	
	147896	(415.91)	
04/26/xx	852369	(24,785.11)	Yes
04/27/xx	852369	(24,785.11)	Yes
	147896	(100.00)	
05/01/xx	753159	(74,001.58)	Yes
05/10/xx	123456	(224.75)	
<b>Total</b>		<b>(233,814.81)</b>	<b>5</b>

## Investor Reporting and Remitting Criteria

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

= Shortage Percentage of **18.9 percent**

Sum of daily amounts due during  
the three months = **\$1,235,879.00**

### **Performance Period**

The Shortage Percentage criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

### **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 Guide Chapter 78.
- 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.

## Investor Reporting and Remitting Criteria

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- 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 Investor Accounting Manager<sup>SM</sup>.
- 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 and Remitting Criteria

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## Cash Management – Custodial Account Review (Weight: 15 percent)

The Custodial Account Review (CAR) score measures your compliance with Freddie Mac's custodial account reconciliation requirements. The CAR score criterion assesses your overall performance in managing Freddie Mac's cash flow, reviews your practices for managing custodial accounts, and measures your compliance with our custodial account reconciliation requirements.

### **Calculation**

There is no calculation for this criterion. You will receive a letter detailing our findings and an overall CAR score between zero and 20.

### **Performance Period**

The CAR score is based on a review that occurs at a specific point in time. However, the score you receive will continue to be the score for this criterion, and included on your Scorecard, until we conduct another Custodial Account Review for your portfolio.

### **Recommendations for Success**

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

- Freddie Mac custodial accounts must contain funds only for mortgages owned by Freddie Mac. Do not commingle funds from other investors in your Freddie Mac custodial accounts.
- You must deposit all funds you receive for Freddie Mac mortgages into the custodial accounts within one business day of receiving them. If you use a lockbox service, you must deposit the funds into the custodial accounts within two business days of the date the funds are received by the lockbox service.
- Complete your custodial account reconciliations within 45 days of the accounting cut-off.
- Reconcile your principal and interest (P&I) custodial account to the ending balance of your *Monthly Account Statement*.
- Reconcile your escrow custodial account as of the accounting cutoff to your escrow trial balance as of the same date.
- We request custodial account reconciliations that you should already have completed. File your reconciliations as stand-alone packages, including supporting documentation, for easy access and copying when we request them.
- Ensure that we receive your custodial account reconciliation review package no later than the due date indicated in the request letter.
- Include custodial account reconciliations for all accounting cycles identified in the request letter.

## Investor Reporting and Remitting Criteria

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- Complete your custodial account reconciliations on Form 59, *Principal and Interest Custodial Account Reconciliation Worksheet - Monthly Account Statement*, and Form 59E, *Escrow Custodial Account Reconciliation Worksheet*. You may use either the online version of Form 59, or a copy that is an exact replication of the form, to complete the reconciliation.
- Provide supporting documentation for all line items on Form 59 and Form 59E.
  - If you have delinquent or prepaid mortgages, include your delinquent and prepaid reports in your custodial account reconciliation package.
  - Ensure that the bank statements you provide reflect activity for the entire accounting cycle. For example, if we request your custodial account reconciliations for the February accounting cycle (1/16 through 2/15), and your bank statement cuts off at the end of each month, include bank statements for the months of January and February.
  - Provide bank statements to identify deposits in transit.
- Ensure that your Freddie Mac custodial accounts never have a negative balance.
- Resolve all variances and fund any shortages within 90 days of the accounting cut-off. If you have a negative variance, include documentation to evidence its funding.
- Fund negative escrow amounts daily.
- Deposit partial payments in the escrow custodial account; not the P&I custodial account.
- Avoid single person dependencies. Ensure that more than one person within your organization is able to reconcile your Freddie Mac custodial accounts.

# Investor Reporting and Remitting Criteria

## Data Integrity Management – Percentage of Aged Applied Transactions in Error (Weight: 15 percent)

The Percentage of Aged Applied Transactions in Error is the percentage of erroneous transactions that appear on the *Loan Reconciliation Difference Report* (LRDR) for three or more consecutive cycles. This criterion measures your promptness in resolving data discrepancies. Loans received in a subsequent transfer of servicing are excluded from this measurement for a period of six months.

### Calculation

The Percentage of Aged Applied Transactions in Error criterion is calculated as follows:

$$1 - \left\{ \frac{\begin{array}{l} \text{The total number of all aged} \\ \text{applied transactions (60, 90, and} \\ \text{90+ days) on the } \textit{Loan} \\ \textit{Reconciliation Difference} \text{ report for} \\ \text{each month in the most recent} \\ \text{three-month period} \end{array}}{\begin{array}{l} \text{The average number of loans} \\ \text{reported by the Servicer for the} \\ \text{most recent three-month period} \end{array}} \right\} = \text{Percentage of Aged Applied} \\ \text{Transactions in Error}$$

### Performance Period

The Percentage of Aged Applied Transactions in Error criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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 and Remitting Criteria

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## ***Loan-Level Detail***

The loan-level detail used to calculate the Percentage of Aged Applied Transactions in Error criterion is available on FreddieMac.com. Click on the Percentage of Aged Applied Transactions in Error to view the data that makes up your performance by individual Servicer number.

## ***Recommendations for Success***

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

- Use the *Funding Detail Report* we make available to you 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.
- If you receive edit code 101 (invalid loan number), take the following actions:
  - Submit a new transaction with the correct Freddie Mac nine-digit loan number.
  - Ensure that you update your system immediately to reflect the correct Freddie Mac loan number and prevent future edits.
- 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* and *Edits to be Cleared* reports 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 and Remitting Criteria

## Operational Management – Percentage of Applied Transactions in Error (Weight: 25 percent)

The Percentage of Applied Transactions in Error includes all loans in sections 1, 3 and 4, and loans aged 30 days or greater in Section 2 on the *Loan Reconciliation Difference Report* for three cycles. This criterion measures your ability to provide accurate investor reporting information. Loans received in a subsequent transfer of servicing are excluded from this criterion for a period of six months.

### Calculation

The Percentage of Applied Transactions in Error criterion is calculated as follows:

$$\frac{\text{The number of transactions in error (excluding loans in section 2 of the Loan Reconciliation Difference report with an age equal to zero)}}{\text{The number of transactions reported or expected for the cycle}} = \text{Percentage of Applied Transactions in Error}$$

### Performance Period

The performance period for the Percentage of Applied Transactions in Error is a rolling three months. The rolling three months for each Scorecard month are shaded.

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.

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

### Loan-Level Detail

The Loan-level detail used to calculate the Percentage of Applied Transactions in Error is available on FreddieMac.com. Click on the Percentage of Applied Transactions in Error to view the data that makes up your performance by individual Servicer number.

## Investor Reporting and Remitting Criteria

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### ***Recommendations for Success***

To maximize your performance for this criterion, we suggest that you incorporate the same recommendations we provide for the Percentage of Aged Applied Transactions in Error criterion on page 3-8.

# Investor Reporting and Remitting Criteria

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## Operational Management – Average Number of Days to Report Payoffs (Weight: 15 percent)

The Average Number of Days to Report Payoffs criterion reflects your reporting of payoffs to Freddie Mac in one servicing cycle. An average is then calculated to measure your performance against Freddie Mac's requirement for reporting payoffs two business days from the receipt of payoff funds. This criterion measures how timely you report your payoffs to Freddie Mac.

### **Calculation**

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

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

### **Performance Period**

The current cycle is the performance period for the Average Number of Days to Report Payoffs metric.

### **Recommendations for Success**

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

- Report your payoffs so that your overall average number of days to report payoff activity is less than or equal to 1.10 days.
- 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 and Remitting Criteria

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# Additional Performance Criteria for Investor Reporting and Remitting

# 4

## Introduction

Freddie Mac offers additional performance criteria that you may use to continue to improve processes and business areas that impact investor reporting. *You are not ranked on these twelve criteria.* The additional performance criteria are for informational purposes only.

Additional Performance Criteria	
a. Cash Management	<ol style="list-style-type: none"><li>1. Number of Cash Shortages &gt; \$1,000</li><li>2. Number of Cash Shortages &gt; \$100,000</li></ol>
b. Data Integrity Management	<ol style="list-style-type: none"><li>3. Number of Loans Past Maturity</li><li>4. Number of Loan Level DDLPIs &gt; 90 days of Current</li><li>5. Number of 3rd Party Origination Loans in Error</li><li>6. Number of Newly Funded Loans in Error</li><li>7. Number of ARM Loans in Error</li></ol>
c. Operational Management	<ol style="list-style-type: none"><li>8. Number of Transfers Reported Late</li><li>9. Number of Balloon Loans not Reset Timely</li><li>10. Number without Disposition Codes 44 days before Maturity</li><li>11. Number Receiving Late Document Fees</li><li>12. Number of Late Reported Payoff Fees</li></ol>

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number of Cash Shortages Greater than \$1,000

The Number of Cash Shortages Greater Than \$1,000 criterion reflects the average number of days per month, over a rolling three-month cycle, on which you have a cash shortage greater than \$1,000. This criterion measures how long it takes you to clear a cash shortage.

### Calculation

The Number of Cash Shortages Greater than \$1,000 criterion is calculated as follows:

$$\frac{\text{Number of days during three month cycle with shortages greater than \$1,000}}{\text{Number of months that you had loans to report}} = \text{Number of Cash Shortages Greater than \$1,000}$$

### Performance Period

The Number of Cash Shortages Greater Than \$1,000 criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number of Cash Shortages Greater than \$100,000

The Number of Cash Shortages Greater Than \$100,000 criterion reflects the average number of days per month, over a rolling three-month cycle, on which you have a cash shortage greater than \$100,000. This criterion measures how long it takes you to clear a cash shortage.

### Calculation

The Number of Cash Shortages Greater than \$100,000 criterion is calculated as follows:

$$\frac{\text{Number of days during three month cycle with shortages } > \$100,000}{\text{Number of months that you had loans to report}} = \text{Number of Cash Shortages Greater than } \$100,000$$

### Performance Period

The Number of Cash Shortages Greater Than \$100,000 criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number of Loans Past Maturity

The Number of Loans Past Maturity criterion identifies the number of loans in current, delinquent or foreclosure status, with a maturity date that is less than the current servicing cycle date, including balloon/reset loans. This criterion reflects loans that have passed their maturity date and should have previously been reported to Freddie Mac as matured loan payoffs.

### ***About Matured Balloon/Reset Loans***

If loss mitigation efforts are unsuccessful, matured balloon/reset loans should be reported as delinquent then subsequently moved into foreclosure (as state timelines permit). No payments should have been accepted on the balloon/reset loan after the balloon maturity date unless there was a payment in full.

### ***Calculation***

There is no calculation for this criterion.

### ***Performance Period***

The Number of Loans Past Maturity is based on a snapshot at a specific point in time as of the reporting cycle.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number of Loan-Level Due Date Last Paid Installment (DDLPIs) Greater than 90 Days of Current

The Number of Loan Level Due Date Last Paid Installments Greater than 90 Days of Current criterion identifies loans that are current (status 1) and have a DDLPI that is more than three months prior to the current Scorecard cycle date. This criterion indicates loans that were not reported as inactive/delinquent based on the DDLPI or that the DDLPI was not reported correctly through investor reporting. The DDLPI should advance with current/active loans.

### **Calculation**

The Number of Loan-Level Due Date Last Paid Installment (DDLPIs) Greater than 90 Days of Current criterion is calculated as follows:

$$\begin{array}{r} \text{Number of} \\ \text{active loans} \\ \text{you reported} \end{array} - \begin{array}{r} \text{Number of active loans} \\ \text{with DDLPIs less than} \\ \text{90 days of the current} \\ \text{Scorecard date} \end{array} = \begin{array}{r} \text{Number of Loan-Level Due Date Last} \\ \text{Paid Installment (DDLPIs) Greater than} \\ \text{90 Days of Current} \end{array}$$

### **Performance Period**

The Number of Loan-Level Due Date Last Paid Installments Greater than 90 Days of Current criterion is based on a snapshot at a specific point in time as of the reporting cycle.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number of Third Party Origination Loans in Error

The Number of Third Party Origination Loans in Error criterion identifies the number of loans that you have reported in error for the rolling three months that are flagged as third party originations. This criterion provides further drilldown data on your overall transactions in error and tells you if the source of the error was a third party origination. It is only one possible cause of a transaction error.

### **Calculation**

There is no calculation for this criterion.

### **Performance Period**

The Number of Third Party Origination Loans in Error criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number of Newly Funded Loans in Error

The Number of Newly Funded Loans in Error criterion identifies loans in error that were funded during the rolling three-month Profile cycle. This criterion provides further drilldown data on your Transactions in Error criterion and tells you if the loan is newly funded during the rolling three months. It is only one possible cause of a transaction error.

### **Calculation**

There is no calculation for this criterion.

### **Performance Period**

The Number of Newly Funded Loans in Error criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number of Adjustable-Rate Mortgages (ARMs) in Error

The Number of Adjustable Rate Mortgages in Error criterion reflects ARM loans in error during the rolling three-month cycle. This criterion provides further drilldown data on your transactions in error criterion and tells you if the loan is an ARM loan that was in error during the rolling three-month cycle. It is only one possible cause of a transaction error.

### **Calculation**

There is no calculation for this criterion.

### **Performance Period**

The Number of Adjustable-Rate Mortgages (ARMs) in Error criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number of Transfers Reported Late

The Number of Transfers Reported Late criterion reflects transfers of servicing requests that Freddie Mac received less than 30 calendar days prior to the effective transfer date. This criterion considers the submission of the Form 981 and the loans to be transferred. This criterion measures your promptness in reporting transfers of servicing to Freddie Mac.

### Calculation

The Number of Transfers Reported Late criterion is calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{transfers} \\ \text{reported} \end{array} \quad - \quad \begin{array}{l} \text{Number of transfers} \\ \text{reported 30 or more} \\ \text{days before the} \\ \text{effective transfer date} \end{array} \quad = \quad \text{Number of Transfers Reported Late}$$

### Performance Period

The Number of Transfers Reported Late criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number of Balloon Loans Not Reset Timely

The Number of Balloon Loans Not Reset Timely criterion reflects the number of Balloon/Reset loans where Form 1034B, *Custodial Certification Schedule – Balloon Loan Modification* and the unrecorded Form 3293, *Balloon Loan Modification*, are not certified by the second business day before the accounting cycle cutoff in the month following the balloon maturity date. This criterion measures your timeliness in resetting your balloon/reset mortgages.

### Calculation

The Number of Balloon Loans Not Reset Timely criterion is calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{Balloon/Reset} \\ \text{loans in a} \\ \text{Scorecard cycle} \end{array} - \begin{array}{l} \text{Number of Balloon/Reset loans} \\ \text{maturing with resets prior to the} \\ \text{second business day prior to the} \\ \text{accounting cutoff in the month} \\ \text{following the balloon maturity date} \end{array} = \begin{array}{l} \text{Number of Balloon} \\ \text{Loans Not Reset Timely} \end{array}$$

### Performance Period

The Number of Balloon Loans Not Reset Timely criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number Without Disposition Codes 44 Days Before Maturity

The Number Without Disposition Codes 44 Days before Maturity criterion reflects the number of maturing balloon/reset loans for which you fail to report a disposition code no later than 4:30 p.m. Eastern time on the 44<sup>th</sup> calendar day prior to the balloon maturity date. This criterion your timeliness in reporting disposition codes on maturing balloon/reset loans.

### Calculation

The Number Without Disposition Codes 44 Days before Maturity criterion is calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{Balloon/Reset} \\ \text{loans in a} \\ \text{Scorecard cycle} \end{array} - \begin{array}{l} \text{Number of Balloon/Reset loans} \\ \text{maturing with disposition} \\ \text{codes reported to us by the 44}^{\text{th}} \\ \text{day prior to maturity} \end{array} = \begin{array}{l} \text{Number Without Disposition} \\ \text{Codes 44 Days Before} \\ \text{Maturity} \end{array}$$

### Performance Period

The Number without Disposition Codes 44 Days before Maturity criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number Receiving Late Document Fees

The Number Receiving Late Document Fees criterion reflects the number of balloon/reset loans for which you fail to deliver Form 1034B, *Custodial Certification Schedule – Balloon Loan Modification*, and the unrecorded Form 3293, *Balloon Loan Modification*, by the 10th calendar day after the balloon maturity date. This criterion measures your timeliness in submitting Form 1034B, *Custodian Certification Schedule - Balloon Loan Modification*, and the unrecorded Form 3293, *Balloon Loan Modification*.

### Calculation

The Number Receiving Late Document Fees criterion is calculated as follows:

$$\begin{array}{r} \text{Number of} \\ \text{Balloon/Reset} \\ \text{loans in a} \\ \text{Scorecard cycle} \end{array} - \begin{array}{r} \text{Number of Balloon/Reset} \\ \text{loans maturing with no} \\ \text{late document fees} \end{array} = \begin{array}{r} \text{Number Receiving Late} \\ \text{Document Fees} \end{array}$$

### Performance Period

The Number Receiving Late Document Fees criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

# Additional Performance Criteria for Investor Reporting and Remitting

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## Additional Performance Criteria – Number of Late Reported Payoff Fees

The Number of Late Reported Payoff Fees criterion reflects the total number of payoffs for which Freddie Mac assessed a late reported payoff during the servicing cycle. This criterion measures your timeliness in reporting payoffs to Freddie Mac.

### **Calculation**

There is no calculation for this criterion.

### **Performance Period**

The Number of Late Reported Payoff Fees criterion has a rolling three-month performance period. The rolling three months for each Scorecard month are shaded.

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.

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.

## **Additional Performance Criteria for Investor Reporting and Remitting**

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# Default Management Criteria

# 5

## Introduction

The Default Management criteria on the Servicer Success Scorecard include non-performing loan activities that involve managing collections, loss mitigation, and foreclosure. It also takes into account the frequency and severity of loans that produce losses.

Freddie Mac measures default management performance in three major areas (a, b, and c, below) using nine weighted criteria. Each criterion and its weighted percentage are listed in the following table.

Criteria (1-9)	Weights
a. Loss Mitigation	
1. Early Collections Roll Rate .....	10%
2. Late Collections Roll Rate.....	20%
3. D60+ Workout to D60+ Inventory .....	30%
b. Default Time Line Management	
4. D90+ Loans Past Foreclosure Referral Standard.....	10%
5. Inventory Past Standard.....	10%
c. Data Integrity	
6. Initial EDR Edits .....	5%
7. Sixth Business Day EDR Edits.....	5%
8. Accuracy of DDLPI Reporting.....	5%
9. Average Number of Days to Report Foreclosure Sales.....	5%
Servicer Performance Totals	100%

## Default Management Criteria

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### Loss Mitigation – Early Collections Roll Rate (Weight: 10 percent)

The Early Collections Roll Rate criterion measures your 30-day delinquent to 60+ day delinquent roll rate. This criterion assesses your proficiency at collecting on loans that are 30 days delinquent to prevent those borrowers from falling further behind in their payments. HAMP Trial Period Plans and Freddie Mac Standard Modification Trial Period Plans are excluded from this criterion.

#### Calculation

The performance for the Early Collections Roll Rate criterion is calculated as follows:

$$\frac{\text{Number of loans that are 30 days delinquent in Month X that become 60+ days delinquent in Month Y}}{\text{Number of loans that are 30 days delinquent in Month X}} = \text{Early Collections Roll Rate}$$

#### Example

$$\frac{\text{Number of loans that are 30 days delinquent in Month X that become 60+ days delinquent in Month Y} = 500}{\text{Number of loans that are 30 days delinquent in Month X} = 2,000} = 25 \text{ percent}$$

#### Performance Period

The Early Collections Roll Rate criterion has a rolling three months reporting cycle with a one-month performance period. The chart shows a performance period from 5/XX to 11/XX. The rolling three months for each Scorecard month are shaded.

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	August			
September XX			July	August	Sept.		
October XX				August	Sept.	Oct.	
November XX					Sept.	Oct.	Nov.

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

## Default Management Criteria

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### Loss Mitigation – Late Collections Roll Rate (Weight: 20 percent)

The Late Collections Roll Rate criterion measures, as a percentage, the number of 90+ day delinquent loans that transition to a further state of delinquency in the following month, over a rolling three-month period. This criterion assesses your proficiency at managing and preventing losses on loans that are 90 or more days delinquent. HAMP Trial Period Plans, Freddie Mac Standard Modification Trial Period Plans, and mortgages in foreclosure are excluded from this criterion.

#### **Calculation**

The Late Collections Roll Rate is calculated as follows:

$$\frac{\text{Number of loans that are 90+ days delinquent in Month X that become 120+ days delinquent (excluding loans that have been referred to foreclosure) in Month Y}}{\text{Number of loans that are 90+ days delinquent in Month X}} = \text{Late Collections Roll Rate}$$

#### **Example**

$$\frac{\text{Number of loans that are 90+ days delinquent in Month X that become 120+ days delinquent (excluding loans that have been referred to foreclosure) in Month Y} = \mathbf{125}}{\text{Number of loans that are 90+ days delinquent in Month X} = \mathbf{300}} = 41.7 \text{ percent}$$

## Default Management Criteria

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### ***Performance Period***

The Late Collections Roll Rate criterion has a rolling three months reporting cycle with a one-month performance period. The chart shows a performance period from 5/XX to 11/XX. The rolling three months for each Scorecard month are shaded.

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	August			
September XX			July	August	Sept.		
October XX				August	Sept.	Oct.	
November XX					Sept.	Oct.	Nov.

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

## Default Management Criteria

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### Loss Mitigation – D60+ Workout to D60+ Inventory (Weight: 30 percent)

The D60+ Workout to D60+ Inventory criterion reflects, as a percentage, the number of completed workouts in a given month for loans that are 60+ days delinquent compared to the number of loans 60+ days delinquent in the prior month, over a rolling three-month period. Loans in an active HAMP Trial Period Plan or Standard Modification Trial Period Plan are excluded from the D60+ inventory (denominator), but included in the D60+ workout count for the month the Trial Period Plan started (numerator).

The following workouts are included in the criterion:

- B65 or “classic” Modifications
- Freddie Mac Standard Modifications (Standard Modification Trial Period Plans and settled Standard Modifications)
- B65 Short Payoffs
- Modifications under the Home Affordable Modification Program (HAMP) (HAMP Trial Period Plans and HAMP Official)
- Home Affordable Foreclosure Alternatives (HAFA) Short Sales
- HAFA Deeds-in-Lieu
- B65 Deeds-in-Lieu of Foreclosure
- Repayment Plans

### Calculation

The D60+ Workout to D60+ Inventory criterion is calculated as follows:

$$\frac{\text{Number of workouts for loans 60+ days delinquent that settle in month Y}}{\text{Number of loans that are 60+ days delinquent in month X}} = \text{D60+ Workout to D60+ Inventory}$$

### Example

Type of Workout	Volume
B65 Modifications	75
Standard Modifications (Trial Period Plans and settled Standard Modifications)	350
Modifications under HAMP (HAMP Trial Period Plans and HAMP Official)	100
B65 Short Payoffs	200
Repayment Plans	100
<b>Total Workout Volume for month Y</b>	<b>825</b>
<b>Total number of 60+ days delinquent loans in month X</b>	<b>1,000</b>

## Default Management Criteria

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Number of workouts for loans 60+ days  
delinquent that settle in month Y = **825**

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= 82.5 percent

Number of loans that are 60+ days  
delinquent in month X = **1,000**

### ***Performance Period***

The D60+ Workout to D60+ Inventory criterion has a rolling three months reporting cycle with a one-month performance period. The chart shows a performance period from 5/XX to 11/XX. The rolling three months for each Scorecard month are shaded.

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	August			
September XX			July	August	Sept.		
October XX				August	Sept.	Oct.	
November XX					Sept.	Oct.	Nov.

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

## Default Management Criteria

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### Default Time Line Management – D90+ Loans Past Foreclosure Referral Standard (Weight: 10 percent)

The D90+ Loans Past Foreclosure Referral Standard criterion reflects, as a percentage, the number of 90+ delinquent loans in your portfolio with no delays, that exceed the foreclosure referral standard over a rolling three-month period.

#### Calculation

The D90+ Loans Past Foreclosure Referral Standard criterion is calculated as follows:

$$\frac{\text{Number of seriously delinquent loans with no delays that are past the foreclosure referral standard}}{\text{Number of seriously delinquent loans with no delays}} = \text{D90+ Loans Past Foreclosure Referral Standard}$$

#### Example

$$\frac{\text{Number of seriously delinquent loans with no delays that are past the foreclosure referral standard} = 100}{\text{Number of seriously delinquent loans with no delays} = 1,000} = 10 \text{ percent}$$

#### Performance Period

The D90+ Loans Past Foreclosure Referral Standard criterion has a rolling three months reporting cycle with a one-month performance period. The chart shows a performance period from 5/XX to 11/XX. The rolling three months for each Scorecard month are shaded.

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	August			
September XX			July	August	Sept.		
October XX				August	Sept.	Oct.	
November XX					Sept.	Oct.	Nov.

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

# Default Management Criteria

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## Default Time Line Management – Inventory Past Standard (Weight: 10 percent)

For mortgages in your portfolio that are 90+ days delinquent or in foreclosure and past standard, the Inventory Past Standard criterion measures how far past standard those mortgages are on average, over a rolling three-month period.

### Calculation

The Inventory Past Standard criterion is calculated as follows:

$$\frac{\text{Total number of days past standard for loans that are 90+ days delinquent or in foreclosure}}{\text{Total number of loans 90+ days delinquent or in foreclosure and past standard}} = \text{Inventory Past Standard}$$

### Example

$$\frac{\text{Total number of days past standard for loans that are 90+ days delinquent or in foreclosure} = 800}{\text{Total number of loans 90+ days delinquent or in foreclosure and past standard} = 50} = 16 \text{ days}$$

### Performance Period

The Inventory Past Standard criterion has a rolling three months reporting cycle with a one-month performance period. The chart shows a performance period from 5/XX to 11/XX. The rolling three months for each Scorecard month are shaded.

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	August			
September XX			July	August	Sept.		
October XX				August	Sept.	Oct.	
November XX					Sept.	Oct.	Nov.

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

# Default Management Criteria

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## Data Integrity – Initial EDR Edits (Weight: 5 percent)

The Initial EDR Edits criterion reflects, as a percentage, the number of edits generated in your first monthly 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 EDR Edits criterion measures your proficiency at reporting accurately through EDR.

### **How to Calculate**

The Initial EDR Edits criterion is calculated as follows:

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

### **Example**

$$\frac{\text{Number of edits generated in your first monthly EDR transmission} = \mathbf{40}}{\text{Total 30+ delinquencies} = \mathbf{20,000}} = 0.2 \text{ percent}$$

Freddie Mac reserves the right to exclude edits from the criterion calculation.

### **Performance Period**

The current month is the performance period for the Initial EDR Edits criterion.

# Default Management Criteria

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## Data Integrity – Sixth Business Day EDR Edits (Weight: 5 percent)

The Sixth Business Day EDR 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.

### **Calculation**

The Sixth Business Day EDR Edits criterion is calculated as follows:

$$\frac{\begin{array}{l} \text{Number of edits in your monthly} \\ \text{EDR transmission that have not} \\ \text{been resolved as of the close of} \\ \text{the sixth business day} \\ + \\ \text{Number of 90+ days delinquent} \\ \text{loans and loans in foreclosure that} \\ \text{were not reported as of the close of} \\ \text{the sixth business day} \end{array}}{\text{Total 30+ delinquencies}} = \text{Sixth Business Day EDR Edits Performance}$$

### **Example**

$$\frac{\begin{array}{l} \text{Number of edits in your monthly} \\ \text{EDR transmission that have not} \\ \text{been resolved as of the close of} \\ \text{the sixth business day} = \mathbf{10} \\ + \\ \text{Number of 90+ days delinquent} \\ \text{loans and loans in foreclosure that} \\ \text{were not reported as of the close of} \\ \text{the sixth business day} = \mathbf{10} \end{array}}{\text{Total 30+ delinquencies} = \mathbf{15,000}} = 0.13 \text{ percent}$$

Freddie Mac reserves the right to exclude edits from the criterion calculation.

### **Performance Period**

The current month is the performance period for the Sixth Business Day EDR Edits criterion.

## Default Management Criteria

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### Data Integrity – Accuracy of DDLPI Reporting (Weight: 5 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.

#### **Calculation**

The Accuracy of DDLPI Reporting criterion is calculated as follows:

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

#### **Example**

$$\frac{\text{Number of DDLPI discrepancies between EDR and Loan-Level Reporting} = 40}{\text{Total 30+ delinquencies} = 30,000} = 0.13 \text{ percent}$$

#### **Performance Period**

The current month is the performance period for the Accuracy of DDLPI Reporting criterion.

## Default Management Criteria

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### Data Integrity – Average Number of Days to Report Foreclosure Sales (Weight: 5 percent)

The Average Number of Days to Report Foreclosure Sales 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.

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.

#### **Calculation**

The Average Number of Days to Report Foreclosure Sales criterion is calculated as follows:

$$\frac{\text{Total number of days to report foreclosure sale results for the most recent six-month period}}{\text{Total number of foreclosure sales reported for the most recent six-month period}} = \text{Average Number of Days to Report Foreclosure Sales}$$

#### **Example**

$$\frac{\text{Total number of days to report foreclosure sale results for the most recent six-month period} = \mathbf{300}}{\text{Total number of foreclosure sales reported for the most recent six-month period} = \mathbf{300}} = 1 \text{ day}$$

# Default Management Criteria

## Performance Period

The Average Number of Days to Report Foreclosure Sales criterion has a rolling six-month performance period. The charts below show a performance period from 1/XX to 6XX, 2/XX to 7/XX and 3/XX to 8/XX, respectively. The rolling six months for each Scorecard month are shaded.

↓ 6-month Performance Period ↓

Scorecard Month	1/XX	2/XX	3/XX	4/XX	5/XX	6/XX	7/XX	8/XX	9/XX	10/XX	11/XX	12/XX
June XX	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

The six months that comprise the June XX Scorecard are January, February, March, April, May, and June.

↓ 6-month Performance Period ↓

Scorecard Month	2/XX	3/XX	4/XX	5/XX	6/XX	7/XX	8/XX	9/XX	10/XX	11/XX	12/XX	1/XY
July XX	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.

The six months that comprise the July XX Scorecard are February, March, April, May, June, and July. Each month, the oldest month drops off your Scorecard and is replaced by the current month.

↓ 6-month Performance Period ↓

Scorecard Month	3/XX	4/XX	5/XX	6/XX	7/XX	8/XX	9/XX	10/XX	11/XX	12/XX	1/XY	2/XY
August XX	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.

The six months that comprise the August XX Scorecard are March, April, May, June, July, and August. Each month, the oldest month drops off your Scorecard and is replaced by the current month.

## 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 EDR Edits, Sixth Business Day EDR Edits, and Accuracy of DDLPI Reporting:

- FHA/VA mortgages
- Second mortgages
- Multifamily (5 or more units)
- Note sales
- Mortgages originated under the Rural Housing Service Section 502 Guaranteed Loan Program

Additional loans are excluded as outlined in the following table:

Criteria	Loans that are Excluded from the Criteria
Early Collections Roll Rate	<ul style="list-style-type: none"> <li>▪ Loans newly funded or transferred during the period beginning six months prior to the start of the performance period.</li> </ul> <p>Example: The performance period for Early Collections Roll Rate on the March xxxx Scorecard is January 1, xxxx to March 31, xxxx. The Scorecard excludes loans from this criterion that were acquired through a transfer of servicing after July 1, xxxx (six months prior to the start of the performance period).</p> <ul style="list-style-type: none"> <li>▪ Loans in an active HAMP Trial Period Plan</li> <li>▪ Loans in an active Standard Modification Trial Period Plan</li> <li>▪ Mortgages secured by a property owned by a borrower in active military service</li> </ul>
Late Collections Roll Rate	
D60+ Workout to D60+ Inventory	<ul style="list-style-type: none"> <li>▪ Loans transferred during the period beginning six months prior to the start of the performance period.</li> </ul> <p>Example: The performance period for D60+ Workout to D60+ Inventory on the March xxxx Scorecard is January 1, xxxx to March 31, xxxx. The Scorecard excludes loans from this criterion that were acquired through a transfer of servicing after July 1, xxxx (six months prior to the start of the performance period).</p> <ul style="list-style-type: none"> <li>▪ Loans in an active HAMP Trial Period Plan or Standard Modification Trial Period Plan are excluded from the D60+ inventory (denominator), but included in the D60+ workout count for the month the Trial Period Plan started (numerator).</li> </ul>

## Default Management Criteria

Criteria	Loans that are Excluded from the Criteria
D90+ Loans Past Foreclosure Referral Standard	<ul style="list-style-type: none"> <li>▪ Loans transferred during the period beginning six months prior to the start of the performance period. Example: The performance period for D90+ Loans Past Foreclosure Referral Standard on the March xxxx Scorecard is January 1, xxxx to March 31, xxxx. The Scorecard excludes loans from this criterion that were acquired through a transfer of servicing after July 1, xxxx (six months prior to the start of the performance period).</li> <li>▪ Loans in an active HAMP Trial Period Plan</li> <li>▪ Loans in an active Standard Modification Trial Period Plan</li> </ul>
Inventory Past Standard	<ul style="list-style-type: none"> <li>▪ Loans transferred during the period beginning six months prior to the start of the performance period. Example: The performance period for Inventory Past Standard on the March xxxx Scorecard is January 1, xxxx to March 31, xxxx. The Scorecard excludes loans from this criterion that were acquired through a transfer of servicing after July 1, xxxx (six months prior to the start of the performance period).</li> <li>▪ Loans in an active HAMP Trial Period Plan</li> <li>▪ Loans in an active Standard Modification Trial Period Plan</li> </ul>
Average Number of Days to Report Foreclosure Sale Results	<ul style="list-style-type: none"> <li>▪ Deeds-in-Lieu of Foreclosure</li> <li>▪ Third Party Foreclosure Sales</li> <li>▪ Loans that Freddie Mac has approved for waiver of late foreclosure sale reporting compensatory fees.</li> </ul>

## Default Management Criteria

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