

**Offering Circular Supplement  
(To Offering Circular  
Dated February 23, 2017)**

**\$1,000,000,000  
(Approximate)**



**Freddie Mac**  
**Structured Pass-Through Certificates (SPCs)**  
**Series K-P04**

**Offered Classes:**

Classes of SPCs shown below

**Underlying Classes:**

Each Class of SPCs represents a pass-through interest in a separate class of securities issued by the Underlying Trust

**Underlying Trust:**

FREMF 2017-KP04 Mortgage Trust

**Mortgages:**

Multifamily mortgages

**Underlying Originators:**

Berkeley Point Capital LLC (as successor in interest to Deutsche Bank Berkshire Mortgages, Inc.) and Wells Fargo Bank, National Association (for itself and as successor in interest to Wachovia Multifamily Capital, Inc.)

**Underlying Seller:**

Freddie Mac

**Underlying Depositor:**

Morgan Stanley Capital I Inc.

**Underlying Master Servicer:**

Freddie Mac

**Underlying Special Servicer:**

Freddie Mac

**Underlying Trustee:**

U.S. Bank National Association

**Underlying Certificate Administrator and Custodian:**

U.S. Bank National Association

**Payment Dates:**

Monthly beginning in December 2017

**Optional Termination:**

The SPCs are subject to a 1% clean-up call right and the Underlying Trust is subject to certain liquidation rights, each as described in this Supplement

**Form of SPCs:**

Book-entry on DTC System

**Offering Terms:**

The placement agents named below are offering the SPCs in negotiated transactions at varying prices and in accordance with the selling restrictions set forth in *Appendix A*; it is expected that we will purchase all or a portion of X-G1 and X-G2.

**Closing Date:**

On or about November 28, 2017

Class	Original Principal Balance or Notional Amount(1)	Class Coupon	CUSIP Number	Final Payment Date
A-G1 .....	\$500,000,000	(2)	3137FBUV6	July 25, 2020
A-G2 .....	500,000,000	(2)	3137FBUW4	October 25, 2019
X-G1 .....	500,000,000	(2)	3137FBUX2	July 25, 2020
X-G2 .....	500,000,000	(2)	3137FBUY0	October 25, 2019

(1) Approximate. May vary by up to 5%.

(2) See *Terms Sheet — Interest*.

The SPCs may not be suitable investments for you. You should not purchase SPCs unless you have carefully considered and are able to bear the associated prepayment, interest rate, yield and market risks of investing in them. *Certain Risk Considerations* on page S-2 highlights some of these risks.

You should purchase SPCs only if you have read and understood this Supplement, our Giant and Other Pass-Through Certificates (Multifamily) Offering Circular dated February 23, 2017 (the “**Offering Circular**”) and the other documents identified under *Available Information*.

We guarantee certain principal and interest payments on the SPCs. These payments are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac. The SPCs are not tax-exempt. Because of applicable securities law exemptions, we have not registered the SPCs with any federal or state securities commission. No securities commission has reviewed this Supplement. We have not engaged any rating agency to rate the SPCs.

*Sole Lead Manager and Bookrunner*

**Morgan Stanley**

*Co-Managers*

**BofA Merrill Lynch**

**Citibank**

**Multi-Bank Securities, Inc.**

**PNC Capital Markets LLC**

**November 16, 2017**

## CERTAIN RISK CONSIDERATIONS

Although we guarantee the payments on the SPCs, and so bear the associated credit risk, as an investor you will bear the other risks of owning mortgage securities. This section highlights some of these risks. You should also read *Risk Factors* and *Prepayment, Yield and Suitability Considerations* in the Offering Circular and *Risk Factors* in the Information Circular for further discussions of these risks.

**SPCs May Not be Suitable Investments for You.** The SPCs are complex securities. You should not purchase SPCs unless you are able to understand and bear the associated prepayment, basis, redemption, interest rate, yield and market risks.

**Two Groups of SPCs.** The Class A-G1 and X-G1 SPCs are referred to as the “**Loan Group 1 SPCs**” and will be backed by the certificates from the Underlying Trust that are entitled to distributions attributable to the Mortgages in **Loan Group 1**. The Class A-G2 and X-G2 SPCs are referred to as the “**Loan Group 2 SPCs**” and will be backed by the certificates from the Underlying Trust that are entitled to distributions attributable to the Mortgages in **Loan Group 2**. No class of Loan Group 1 SPCs will be entitled to any distributions with respect to the Mortgaged in Loan Group 2, and no class of Loan Group 2 SPCs will be entitled to any distributions with respect to the Mortgages in Loan Group 1. Loan Group 1 SPCs and Loan Group SPCs are each, respectively, an “**SPC Group**”.

**Prepayments Can Reduce Your Yield.** Your yield could be lower than you expect if:

- You buy A-G1 or A-G2 at a premium over its principal balance, or if you buy X-G1 or X-G2, and prepayments on the underlying Mortgages in the related Loan Group are faster than you expect.
- You buy A-G1 or A-G2 at a discount to its principal balance and prepayments on the underlying Mortgages in the related Loan Group are slower than you expect.

Rapid prepayments on the Mortgages in Loan Group 1, especially those with higher interest rates or, after the loan reset dates for such Mortgages, interest rate margins over LIBOR, as applicable, would reduce the yields on the Loan Group 1 SPCs, and because X-G1 is an Interest Only Class, could even result in the failure of investors in that Class to recover their investment. Rapid prepayments on the Mortgages in Loan Group 2, especially those with higher interest rates or, after the loan reset dates for such Mortgages, interest rate margins over LIBOR, as applicable, would reduce the yields on the Loan Group 2 SPCs, and because X-G2 is an Interest Only Class, could even result in the failure of investors in that Class to recover their investment.

If the holders of a majority interest in X-G1 or X-G2 (initially expected to be Freddie Mac) exercise their right to direct waivers of the borrowers’ obligations to pay **Static Prepayment Premiums** and **Yield Maintenance Charges** in connection with prepayments of Mortgages in the related **Loan Group**, the borrowers have an incentive to prepay their Mortgages, which could result in the Mortgages experiencing a higher than expected rate of prepayments. See *Payments — Static Prepayment Premiums* in this Supplement and *Risk Factors — Risks Related to the Offered Certificates — The Underlying Mortgage Loans May Experience a Higher Than Expected Rate of Prepayment Due to the Right of a Majority of Holders of Class X-G1 or X-G2 Certificates to Cause the Waiver of Static Prepayment Premiums or Yield Maintenance Charges and Due to Limited Prepayment Protection* in the Information Circular.

**LIBOR Levels Can Reduce the Yields on A-G1 and A-G2.** If you buy A-G1 or A-G2, your yield could be lower than you expect if **LIBOR** levels are lower than you expect. In addition, see *Risk Factors — Risks Related to the Underlying Mortgage Loans — Changes to, or Elimination of, LIBOR Could Adversely Affect Your Investment in the Offered Certificates* in the Information Circular.

**The SPCs are Subject to Basis Risk.** The Class Coupon of A-G1 is subject to a cap based on, and the Class Coupon of X-G1 is based on, the **Weighted Average Net Mortgage Pass-Through Rate** for Loan Group 1. The Class Coupon of A-G2 is subject to a cap based on, and the Class Coupon of X-G2 is based on, the **Weighted Average Net Mortgage Pass-Through Rate** for Loan Group 2. As a result, the SPCs will be subject to basis risk, which may reduce their yields.

**The SPCs are Subject to Redemption Risk.** If the Underlying Trust is terminated or the SPCs are redeemed, the effect on the SPCs will be similar to a full prepayment of all the Mortgages.

**The SPCs are Subject to Market Risks.** You will bear all of the market risks of your investment. The market value of your SPCs will vary over time, primarily in response to changes in prevailing interest rate margins over **LIBOR**. If you sell your SPCs when their market value is low, you may experience significant losses. The placement agents named on the front cover (the “**Placement Agents**”) intend to deliver the SPCs on our behalf to third party purchasers (except it is expected that we will purchase all or a portion of X-G1 and X-G2); however, if the SPCs are not placed with third parties, they will be resold to us by the Placement Agents.

**The SPCs Will Not Be Rated.** The SPCs will not be rated by any **NRSRO** (unless an NRSRO issues an unsolicited rating), which may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, the SPCs.

**The Yields on X-G1 and X-G2 Will Be Extremely Sensitive to Actions of the Holders of a Majority Interest in X-G1 and X-G2.** The yield to maturity on X-G1 and X-G2 will be extremely sensitive to any election by holders of a majority interest in such Class of SPCs to waive payments of Static Prepayment Premiums, because such waivers would tend to increase the rate of prepayments on the related Mortgages, which would result in a faster than anticipated reduction in the notional amount of such Class of SPCs. See *Description of the Underlying Mortgage Loans — Certain Terms and Conditions of the Underlying Mortgage Loans — Prepayment Provisions* in the Information Circular.

## TERMS SHEET

**This Terms Sheet contains selected information about this Series. You should refer to the remainder of this Supplement and to the Offering Circular and the attached Information Circular for further information.**

The Offering Circular defines many of the terms we use in this Supplement. The Underlying Depositor's Information Circular dated the same date as this Supplement (the "**Information Circular**"), attached to this Supplement, defines terms that appear in **bold type** on their first use and are not defined in this Supplement or the Offering Circular.

*In this Supplement, we sometimes refer to Classes of SPCs only by their number and letter designations. For example, "A-G1" refers to the A-G1 Class of this Series.*

### **General**

Each Class of SPCs represents the entire undivided interest in a separate pass-through pool. Each pass-through pool consists of a class of securities (each, an "**Underlying Class**") issued by the Underlying Trust. Each Underlying Class has the same designation as its corresponding Class of SPCs. Each Mortgage is a **Hybrid ARM** multifamily balloon mortgage loan that is fixed for an initial period that expires 120 months following the origination date of such Mortgage in Loan Group 1 and 126 months following the origination date of such Mortgage in Loan Group 2, and thereafter so long as no event of default has occurred, the maturity date for each Mortgage will automatically be extended 12 months, during which term the interest rate is adjustable on monthly loan reset dates for such Mortgage and provides for (1) no amortization prior to the initial or extended maturity; and (2) a substantial payment of principal on its maturity date.

### **Interest**

A-G1 will bear interest at a Class Coupon equal to the lesser of:

- LIBOR plus 0.2200%; and
- The Weighted Average Net Mortgage Pass-Through Rate for Loan Group 1 minus the **Guarantee Fee Rate**

A-G2 will bear interest at a Class Coupon equal to the lesser of:

- LIBOR plus 0.2000%; and
- The Weighted Average Net Mortgage Pass-Through Rate for Loan Group 2 minus the **Guarantee Fee Rate**

(provided that in no event will the Class Coupon of A-G1 or A-G2 be less than zero).

X-G1 and X-G2 will bear interest at a Class Coupon equal to the interest rate of its Underlying Class, as described in the Information Circular. Accordingly, the Class Coupons of A-G1, A-G2, X-G1 and X-G2 will vary from month to month. The initial Class Coupon of A-G1 is approximately 1.4700% per annum and the initial Class Coupon of A-G2 is approximately 1.4500% per annum, each based on assumed LIBOR for the first Interest Accrual Period of 1.2500%. The initial Class Coupon of X-G1 is approximately 3.5860% per annum. The initial Class Coupon of X-G2 is approximately 3.0340% per annum.

See *Payments — Interest* in this Supplement and *Description of the Underlying Mortgage Loans — Certain Terms and Conditions of the Underlying Mortgage Loans* and *Description of the Certificates — Distributions — Interest Distributions* in the Information Circular.

### **Interest Only (Notional) Class**

X-G1 and X-G2 do not receive principal payments. To calculate interest payments, X-G1 has a notional amount equal to the then-current principal balance of Underlying Class A-G1 and X-G2 has a notional amount equal to the then-current principal balance of Underlying Class A-G2.

For more specific information, see *Description of the Certificates — Distributions — Interest Distributions* in the Information Circular.

### **Principal**

On each Payment Date, we pay principal on each of A-G1 and A-G2 in an amount equal to the principal, if any, required to be paid on that Payment Date on its corresponding Underlying Class.

See *Payments — Principal* and *Prepayment and Yield Analysis* in this Supplement and *Description of the Certificates — Distributions — Principal Distributions* in the Information Circular.

### **Static Prepayment Premiums and Yield Maintenance Charges**

Any Static Prepayment Premium or Yield Maintenance Charge collected in respect of any of the Mortgages in **Loan Group 1** will be distributed to Underlying Class X-G1. Any Static Prepayment Premium or Yield Maintenance Charge collected in respect of any of the Mortgages in **Loan Group 2** will be distributed to Underlying Class X-G2. See *Description of the Certificates — Distributions — Distributions of Static Prepayment Premiums and Yield Maintenance Charges* in the Information Circular. Any such Static Prepayment Premiums or Yield Maintenance Charges distributed to Underlying Class X-G1 will be passed through to X-G1 and any such Static Prepayment Premiums or Yield Maintenance Charges distributed to Underlying Class X-G2 will be passed through to X-G2.

Our guarantee does not cover the payment of any Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment premiums related to the Mortgages.

Holders representing a majority interest in X-G1 or X-G2, as applicable, will have the right, in their sole discretion, to direct the Underlying Master Servicer or the Underlying Special Servicer, as applicable, to waive any obligation of the related borrower to pay a Yield Maintenance Charge or Static Prepayment Premium, as applicable, in connection with any prepayment of a Mortgage in the related Loan Group. Freddie Mac is expected to be the initial holder of X-G1 and X-G2. We may be more likely to direct a waiver of a Yield Maintenance Charge or Static Prepayment Premium for a Mortgage in certain circumstances, such as if the prepayment will be made in connection with a refinancing of such Mortgage that meets certain conditions. See *Description of the Underlying Mortgage Loans — Certain Terms and Conditions of the Underlying Mortgage Loans — Prepayment Provisions* in the Information Circular.

## **Federal Income Taxes**

If you own a Class of SPCs, you will be treated for federal income tax purposes as owning an undivided interest in the related Underlying Class. Each Underlying Class A-G1 and X-G1 represents a beneficial ownership interest in a grantor trust that contains the Mortgages in Loan Group 1 and the proceeds thereof, and each Underlying Class A-G2 and X-G2 represents a beneficial ownership interest in a separate grantor trust that contains the Mortgages in Loan Group 2 and the proceeds thereof.

See *Certain Federal Income Tax Consequences* in this Supplement, in the Offering Circular and in the Information Circular.

## **Weighted Average Lives**

The Information Circular shows the weighted average lives and declining principal balances for Underlying Classes A-G1 and A-G2 and the weighted average lives and pre-tax yields for Underlying Classes X-G1 and X-G2, in each case, based on the assumptions described in the Information Circular. The weighted average lives, declining principal balances and pre-tax yields, as applicable, for each Class of SPCs would be the same as those shown in the Information Circular for its corresponding Underlying Class, based on these assumptions. However, these assumptions are likely to differ from actual experience in many cases.

See *Yield and Maturity Considerations — Weighted Average Lives of the Offered Principal Balance Certificates, — Yield Sensitivity of the Class X-G1 and Class X-G2 Certificates and Exhibits D and E* in the Information Circular.

## **AVAILABLE INFORMATION**

You should purchase SPCs only if you have read and understood:

- This Supplement.
- The Offering Circular.
- The attached Information Circular.
- The Incorporated Documents listed under *Additional Information* in the Offering Circular.

This Supplement incorporates the Offering Circular, including the Incorporated Documents, by reference. When we incorporate documents by reference, that means we are disclosing information to you by referring to those documents rather than by providing you with separate copies. The Offering Circular, including the Incorporated Documents, is considered part of this Supplement. Information that we incorporate by reference will automatically update information in this Supplement. You should rely only on the most current information provided or incorporated by reference in this Supplement.

You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

You can obtain, without charge, copies of the Offering Circular, including the Incorporated Documents, any documents we subsequently file with the SEC, the Multifamily Pass-Through Trust Agreement and current information concerning the SPCs, as well as the disclosure documents and current information for any other securities we issue, from:

**Freddie Mac — Investor Inquiry**  
**1551 Park Run Drive, Mailstop D5O**  
**McLean, Virginia 22102-3110**  
**Telephone: 1-800-336-3672**  
**((571) 382-4000 within the Washington, D.C. area)**  
**E-mail: [Investor\\_Inquiry@freddiemac.com](mailto:Investor_Inquiry@freddiemac.com)**

We also make these documents available on our internet website at this address:

**Internet Website\*: [www.freddiemac.com](http://www.freddiemac.com)**

You can also obtain the documents listed above from the Placement Agent named below at:

Morgan Stanley & Co. LLC  
c/o Broadridge Financial Solutions  
Prospectus Department  
1155 Long Island Avenue  
Edgewood, New York 11717  
(631) 254-7307

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\* We are providing this internet address solely for the information of investors. We do not intend this internet address to be an active link and we are not using references to this address to incorporate additional information into this Supplement, except as specifically stated in this Supplement.

**The Underlying Depositor has prepared the Information Circular in connection with its sale of the Underlying Classes to us. The Underlying Depositor is responsible for the accuracy and completeness of the Information Circular, and we do not make any representations that it is accurate or complete.**

## **GENERAL INFORMATION**

### **Multifamily Pass-Through Trust Agreement**

We will form a trust fund to hold the Underlying Classes and to issue the SPCs, each pursuant to the Multifamily Pass-Through Certificates Master Trust Agreement dated February 23, 2017 and a Terms Supplement dated the Closing Date (together, the “**Multifamily Pass-Through Trust Agreement**”). We will act as Trustee and Administrator under the Multifamily Pass-Through Trust Agreement.

You should refer to the Multifamily Pass-Through Trust Agreement for a complete description of your rights and obligations and those of Freddie Mac. You will acquire your SPCs subject to the terms and conditions of the Multifamily Pass-Through Trust Agreement, including the Terms Supplement.

### **Form of SPCs**

The SPCs are issued, held and transferable on the DTC System. DTC or its nominee is the Holder of each Class. As an investor in SPCs, you are not the Holder. See *Description of Pass-Through Certificates — Form, Holders and Payment Procedures* in the Offering Circular.

### **Denominations of SPCs**

A-G1 and A-G2 will be issued, and may be held and transferred, in minimum original principal amounts of \$1,000 and additional increments of \$1. X-G1 and X-G2 will be issued, and may be held and transferred, in minimum original notional principal amounts of \$100,000 and additional increments of \$1.

### **Structure of Transaction**

#### *General*

Each Class of SPCs represents the entire interest in a pass-through pool consisting of its corresponding Underlying Class. Each Underlying Class represents an interest in the Underlying Trust formed by the Underlying Depositor. The Underlying Trust consists primarily of the Mortgages described under *Description of the Underlying Mortgage Loans* in the Information Circular. Each Class of SPCs receives the payments of principal and/or interest required to be made on its corresponding Underlying Class.

The pooling and servicing agreement for the Underlying Trust (the “**Pooling Agreement**”) governs the Underlying Classes.

Each Underlying Class will bear interest at the same rate, and at all times will have the same principal balance or notional amount, as its corresponding Class of SPCs. On the Closing Date, we will acquire the Underlying Classes from the Underlying Depositor. We will hold the Underlying Classes in certificated form on behalf of investors in the SPCs.

See *Description of Pass-Through Certificates — Structured Pass-Through Certificates* in the Offering Circular.

#### *The Underlying Classes Will Not Be Rated*

None of the Underlying Classes will be rated by an NRSRO (unless an NRSRO issues an unsolicited rating). See *Risk Factors — Risks Related to the Offered Certificates — The Certificates Will Not Be Rated* in the Information Circular.

### **The Mortgages**

The Mortgages consist of 21 Hybrid ARM mortgage loans (comprising two Loan Groups), secured by 21 multifamily properties. The Mortgages in Loan Group 1 include 11 cross-collateralized and cross-defaulted Mortgages secured by 11 multifamily properties and the Mortgages in Loan Group 2 include 10 cross-collateralized and cross-defaulted Mortgages secured by 10 multifamily properties. The Mortgages in Loan Group 1 and Loan Group 2 each have an **initial mortgage pool balance** of approximately \$500,000,000 as of November 1, 2017. All of the Mortgages are **Balloon Loans**. The Mortgages in Loan Group 1 and Loan Group 2 were originated on June 29, 2009 and March 10, 2008, respectively, and were subsequently acquired by Freddie Mac.

All of the Mortgages are interest-only for their entire term.

*Description of the Underlying Mortgage Loans and Exhibits A-1, A-2 and A-3* in the Information Circular further describe the Mortgages.

### **Credit Risk Retention**

Freddie Mac, as the sponsor of the securitization in which the SPCs are to be issued, will satisfy its credit risk retention requirement under the Credit Risk Retention Rule of the Federal Housing Finance Agency (“FHFA”) at 12 C.F.R. Part 1234 pursuant to Section 1234.8 thereof. Freddie Mac is currently operating under the conservatorship of the FHFA with capital support from the United States and will fully guarantee the timely payment of principal and interest on all the SPCs.

## **PAYMENTS**

### **Payment Dates; Record Dates**

We make payments of principal and interest on the SPCs on each Payment Date, beginning in December 2017. A “**Payment Date**” is the 25th of each month or, if the 25th is not a **Business Day**, the next Business Day.

On each Payment Date, DTC credits payments to the DTC Participants that were owners of record on the Record Date.

### **Method of Payment**

The Registrar makes payments to DTC in immediately available funds. DTC credits payments to the accounts of DTC Participants in accordance with its normal procedures. Each DTC Participant, and each other financial intermediary, is responsible for remitting payments to its customers.

## **Interest**

### *General*

We pay interest on each Payment Date on each Class of SPCs. The Classes bear interest as described under *Terms Sheet — Interest* in this Supplement. For more specific information on interest distributions to the Underlying Classes, see *Description of the Certificates — Distributions — Interest Distributions* in the Information Circular.

### *Accrual Period*

The “**Accrual Period**” for each Payment Date for A-G1 and A-G2 is the period beginning on and including the 25th day of the month preceding the month in which such Payment Date occurs (or beginning on and including the Closing Date, in the case of the first Payment Date) and ending on and including the 24th day of the month in which such Payment Date occurs.

The “**Accrual Period**” for each Payment Date for X-G1 and X-G2 is the preceding calendar month.

We calculate interest on A-G1 and A-G2 based on an Actual/360 Basis and on X-G1 and X-G2 based on a 360-day year of twelve 30-day months.

## **Principal**

We pay principal on each Payment Date on each of A-G1 and A-G2 to the extent principal is payable on its corresponding Underlying Class. Investors receive principal payments on a *pro rata* basis among the SPCs of their Class.

See *Terms Sheet — Principal* in this Supplement and *Description of the Certificates — Distributions — Priority of Distributions* and *— Distributions — Principal Distributions* in the Information Circular.

## **Static Prepayment Premiums and Yield Maintenance Charges**

Any Static Prepayment Premium or Yield Maintenance Charge received in respect of any of the Mortgages in Loan Group 1 will be distributed to Underlying Class X-G1 and any Static Prepayment Premium or Yield Maintenance Charge collected in respect of any of the Mortgages in Loan Group 2 will be distributed to Underlying Class X-G2, as described under *Description of the Certificates — Distributions — Distributions of Static Prepayment Premiums and Yield Maintenance Charges* in the Information Circular. Any such amounts distributed to Underlying Class X-G1 will be passed through to X-G1 and any such amounts distributed to Underlying Class X-G2 will be passed through to X-G2.

Our guarantee does not cover the payment of any Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment premiums related to the Mortgages.

Holders representing a majority interest in X-G1 or X-G2, as applicable, will have the right, in their sole discretion, to direct the Underlying Master Servicer or the Underlying Special Servicer, as applicable, to waive any obligation of the related borrower to pay a Yield Maintenance Charge or Static Prepayment Premium, as applicable, in connection with any prepayment of a Mortgage in the related Loan Group. Freddie Mac is expected to be the initial holder of X-G1 and X-G2. We may be more likely to direct a waiver of a Yield Maintenance Charge or Static Prepayment Premium for a Mortgage in certain circumstances, such as if the prepayment will be made in connection with a

refinancing of such Mortgage that meets certain conditions. See *Description of the Underlying Mortgage Loans — Certain Terms and Conditions of the Underlying Mortgage Loans — Prepayment Provisions* in the Information Circular.

## Class Factors

### *General*

We make Class Factors for the Classes of SPCs available on or prior to each Payment Date. See *Description of Pass-Through Certificates — Payments — Class Factors* in the Offering Circular.

### *Use of Factors*

You can calculate principal and interest payments by using the Class Factors.

For example, the reduction in the balance of a Class in February will equal its original balance times the difference between its January and February Class Factors. The amount of interest to be paid on a Class in February will equal interest at its Class Coupon, accrued during the related Accrual Period, on its balance determined by its January Class Factor.

## Guarantees

We guarantee to each Holder of each Class of SPCs (a) the timely payment of interest at its Class Coupon; (b) the payment of principal on A-G1 and A-G2, on or before the Payment Date immediately following the maturity date of each Balloon Loan in the related Loan Group (to the extent of principal on such Class of SPCs that would have been payable from such Balloon Loan); (c) the reimbursement of any Realized Losses and any **Additional Issuing Entity Expenses** allocated to each Class of SPCs; and (d) the ultimate payment of principal on A-G1 and A-G2 by the Final Payment Date of such Class. Our guarantee does not cover (i) any loss of yield on X-G1 or X-G2 following a reduction of its notional amount due to a reduction of the outstanding principal balance of any Underlying Classes, or (ii) the payment of any Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment premiums related to the Mortgages. See *Description of Pass-Through Certificates — Guarantees* in the Offering Circular and *Description of the Certificates — Distributions — Freddie Mac Guarantee* in the Information Circular.

## Optional Retirement

Freddie Mac, any Underlying Third Party Special Servicer and any Underlying Third Party Master Servicer each will have the option, in that order, to purchase the Mortgages and other trust property with respect to the related Loan Group on any Payment Date on which the total **Stated Principal Balance** of the Mortgages in the related Loan Group is less than 1.0% of the related initial Loan Group balance.

In the event that any party so entitled exercises this option, all outstanding Underlying Classes in the related **Certificate Group** will be retired, as described in more detail under “*The Pooling and Servicing Agreement — Retirement*” in the Information Circular.

The retirement of any Certificate Group while the other Certificate Group remains outstanding will not retire the other Certificate Group. Upon the retirement of one Certificate Group, the Pooling Agreement will remain in full force and effect with respect to the other Certificate Group until such other Certificate Group is retired in accordance with the terms of the Pooling Agreement as described under “*The Pooling and Servicing Agreement — Retirement*” in the Information Circular.

If the retirement of a Certificate Group occurs, each Class of related SPCs will receive its unpaid principal balance, if any, plus interest for the related Accrual Period. We will give notice of retirement to related Holders not later than the fifth Business Day of the month in which the termination will occur, and each Class Factor we publish in that month will equal zero.

In addition, we will have the right to redeem (i) the outstanding Loan Group 1 SPCs on any Payment Date when the aggregate remaining principal balance of A-G1 would be less than 1% of the aggregate original principal balance of A-G1 and (ii) the outstanding Loan Group 2 SPCs on any Payment Date when the aggregate remaining principal balance of A-G2 would be less than 1% of the aggregate original principal balance of A-G2. We will give notice of any exercise of this right to related Holders 30 to 60 days before the redemption date. We will pay a redemption price equal to the unpaid principal balance, if any, of each Class redeemed plus interest for the related Accrual Period.

## **PREPAYMENT AND YIELD ANALYSIS**

### **Mortgage Prepayments**

The rates of principal payments on A-G1 and A-G2 and the rates of reduction on the notional amounts of X-G1 and X-G2 will depend primarily on the rates of principal payments, including prepayments, on the related Mortgages. Each Mortgage may be prepaid, subject to certain restrictions and requirements, including a prepayment consideration period during which voluntary principal prepayments must be accompanied by the greater of a Static Prepayment Premium and a Yield Maintenance Charge, followed by an open prepayment period prior to maturity during which voluntary principal prepayments may be made without payment of any prepayment consideration.

Mortgage prepayment rates may fluctuate continuously and, in some market conditions, substantially.

See *Prepayment, Yield and Suitability Considerations — Prepayments* in the Offering Circular for a discussion of mortgage prepayment considerations and risks. *Risk Factors, Description of the Underlying Mortgage Loans and Yield and Maturity Considerations* in the Information Circular discuss prepayment considerations for the Underlying Classes.

### **Yield**

As an investor in SPCs, your yield will depend on:

- Your purchase price.
- The rate of principal payments on the underlying Mortgages.
- Whether an optional termination of the Underlying Trust occurs or the SPCs are redeemed.
- The actual characteristics of the underlying Mortgages.
- The level of LIBOR and whether your pass-through rate is capped at the WAC Cap.
- The extent to which the Class Coupon formula of your Class of SPCs results in reductions or increases in its Class Coupon.
- Collection and payment of, or waiver of, Yield Maintenance Charges or Static Prepayment Premiums.

See *Prepayment, Yield and Suitability Considerations — Yields* in the Offering Circular for a discussion of yield considerations and risks.

## **Suitability**

The SPCs may not be suitable investments for you. See *Prepayment, Yield and Suitability Considerations — Suitability* in the Offering Circular for a discussion of suitability considerations and risks.

## **FINAL PAYMENT DATES**

The Final Payment Date for each Class of SPCs is the latest date by which it will be paid in full and will retire. The Final Payment Dates generally reflect the maturity dates of the Mortgages and assume, among other things, no prepayments or defaults on the Mortgages. The actual retirement of each Class may occur earlier than its Final Payment Date.

## **CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

### **General**

The following is a general discussion of federal income tax consequences of the purchase, ownership and disposition of the Classes of SPCs. It does not address all federal income tax consequences that may apply to particular categories of investors, some of which may be subject to special rules. The tax laws and other authorities for this discussion are subject to change or differing interpretations, and any change or interpretation could apply retroactively. You should consult your tax advisor to determine the federal, state, local and any other tax consequences that may be relevant to you.

Neither the SPCs nor the income derived from them is exempt from federal income, estate or gift taxes under the Code by virtue of the status of Freddie Mac as a government-sponsored enterprise. Neither the Code nor the Freddie Mac Act contains an exemption from taxation of the SPCs or the income derived from them by any state, any possession of the United States or any local taxing authority.

### **Classification of Investment Arrangement**

The arrangement under which each Class of SPCs is created and sold and the related pass-through pool is administered will be classified as a grantor trust under subpart E, part I of subchapter J of the Code. As an investor in SPCs, you will be treated for federal income tax purposes as the owner of a *pro rata* undivided interest in the related Underlying Class.

### **Status of Classes**

Upon the issuance of the Underlying Classes, Cadwalader, Wickersham & Taft LLP, counsel for the Underlying Depositor, will deliver its opinion generally to the effect that, assuming compliance with all the provisions of the Pooling Agreement and certain other documents:

- The Underlying Trust will be classified as two grantor trusts under the Code and not as a taxable mortgage pool, an association taxable as a corporation or a publicly traded partnership taxable as a corporation.
- Each Underlying Class A-G1 and X-G1 will represent a beneficial ownership interest in a grantor trust containing the Mortgages in Loan Group 1 and the proceeds thereof.

- Each Underlying Class A-G2 and X-G2 will represent a beneficial ownership interest in a grantor trust containing the Mortgages in Loan Group 2 and the proceeds thereof.
- The Underlying Classes will be treated as “stripped bonds” or “stripped coupons,” as applicable, within the meaning of section 1286 of the Code.

Accordingly, an investor in a Class of SPCs will be treated as owning an undivided beneficial interest in the applicable assets of the Underlying Trust, and will be treated as owning “stripped bonds” or “stripped coupons,” as applicable within the meaning of Section 1286 of the Code.

For information regarding the federal income tax consequences of investing in an Underlying Class, see *Certain Federal Income Tax Consequences* in the Information Circular.

### **Information Reporting**

Within a reasonable time after the end of each calendar year, we will furnish or make available to each Holder of each Class of SPCs such information as Freddie Mac deems necessary or desirable to assist beneficial owners in preparing their federal income tax returns, or to enable each Holder to make such information available to beneficial owners or financial intermediaries for which the Holder holds such SPCs as nominee.

### **LEGAL INVESTMENT CONSIDERATIONS**

You should consult your legal advisor to determine whether the SPCs are a legal investment for you and whether you can use the SPCs as collateral for borrowings. See *Legal Investment Considerations* in the Offering Circular.

### **ACCOUNTING CONSIDERATIONS**

You should consult your accountant for advice on the appropriate accounting treatment for your SPCs. See *Accounting Considerations* in the Offering Circular.

### **ERISA CONSIDERATIONS**

Fiduciaries of employee benefit plans should review *ERISA Considerations* in the Offering Circular.

In addition, any purchaser, transferee or holder of SPCs or any interest therein that is a benefit plan investor as defined in 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (a “**Benefit Plan Investor**”) or a fiduciary purchasing the SPCs on behalf of a Benefit Plan Investor (a “**Plan Fiduciary**”), should consider the impact of the new regulations promulgated at 29 C.F.R. Section 2510.3-21 (the “**Fiduciary Rule**”). In connection with the Fiduciary Rule, each investor that is a Benefit Plan Investor will be deemed to represent and warrant by its acquisition of the SPCs that the person making the decision to invest in SPCs on behalf of the investor is an Independent Fiduciary (as defined in (4) below) and such Independent Fiduciary will be deemed to have represented, warranted and agreed by its acquisition of the SPCs that:

- (1) none of the Underlying Trust, Underlying Originators, the Underlying Seller, the Underlying Depositor, the Underlying Master Servicer, the Underlying Special Servicer, the Underlying Trustee or the Underlying Certificate Administrator and Custodian or any of their respective affiliates (the “**Transaction Parties**”), has provided or will provide impartial advice with respect to the acquisition of the SPCs by the Benefit Plan Investor and none of them is

undertaking to give any advice in a fiduciary capacity in connection with the investor's acquisition of SPCs or any interest therein;

(2) the Plan Fiduciary either:

(a) is a bank as defined in Section 202 of the Investment Advisers Act of 1940 (the "**Advisers Act**"), or similar institution that is regulated and supervised and subject to periodic examination by a State or Federal agency; or

(b) is an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a Plan investor; or

(c) is an investment adviser registered under the Advisers Act, or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; or

(d) is a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or

(e) has, and at all times that the Benefit Plan Investor is invested in the SPCs will have, total assets of at least U.S. \$50,000,000 under its management or control (provided that this clause (e) shall not be satisfied if the Plan Fiduciary is either (i) the owner or a relative of the owner of an investing individual retirement account or (ii) a participant or beneficiary of the Benefit Plan Investor investing in or holding the SPCs in such capacity);

(3) the Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies, including the acquisition by the Benefit Plan Investor of the SPCs;

(4) the Plan Fiduciary is a "fiduciary within the meaning of Section 3(21) of ERISA and Section 4975 of the Code and an "independent fiduciary" within the meaning of the Fiduciary Rule with respect to the Benefit Plan Investor, and is responsible for exercising independent judgment in evaluating the Benefit Plan Investor's acquisition of the SPCs ("**Independent Fiduciary**");

(5) neither the Benefit Plan Investor nor the Plan Fiduciary is paying or has paid any fee or other compensation to any of the Transaction Parties for investment advice (as opposed to other services) in connection with the Benefit Plan Investor's acquisition or holding of the SPCs;

(6) none of the Transaction Parties has exercised any authority to cause the Benefit Plan Investor to invest in the SPCs or to negotiate the terms of the Benefit Plan Investor's investment in the SPCs; and

(7) the Plan Fiduciary acknowledges and agrees that it has been informed by the Transaction Parties:

(a) that none of the Transaction Parties is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the Benefit Plan Investor's acquisition of the SPCs; and

(b) of the existence and nature of the Transaction Parties financial interests in the Benefit Plan Investor's acquisition of the SPCs.

These representations are intended to comply with the 29 C.F.R. Sections 2510.3-21(a) and (c)(1). If these sections of the Fiduciary Rule are revoked, repealed or no longer effective, these representations shall be deemed to be no longer in effect.

None of the Transaction Parties is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition of any SPCs by any Benefit Plan Investor.

### **PLAN OF DISTRIBUTION**

Under an agreement with the Placement Agents, they have agreed to purchase all of the SPCs not placed with third parties for resale to us.

Our agreement with the Placement Agents provides that we will indemnify them against certain liabilities.

### **LEGAL MATTERS**

Our General Counsel or one of our Deputy General Counsels will render an opinion on the legality of the SPCs. Cadwalader, Wickersham & Taft LLP is representing the Underlying Depositor and the Placement Agents on legal matters concerning the SPCs. That firm is also rendering certain legal services to us with respect to the SPCs.

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## **Appendix A**

### **Selling Restrictions**

#### **NOTICE TO RESIDENTS OF THE REPUBLIC OF KOREA**

THIS OFFERING CIRCULAR SUPPLEMENT IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PUBLIC OFFERING OF SECURITIES IN KOREA. NEITHER FREDDIE MAC NOR ANY OF ITS AGENTS MAKE ANY REPRESENTATION WITH RESPECT TO THE ELIGIBILITY OF ANY RECIPIENTS OF THIS OFFERING CIRCULAR SUPPLEMENT TO ACQUIRE THE SPCs UNDER THE LAWS OF KOREA, INCLUDING, BUT WITHOUT LIMITATION, THE FOREIGN EXCHANGE TRANSACTION LAW AND REGULATIONS THEREUNDER (THE “FETL”). THE SPCs HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA FOR PUBLIC OFFERING IN KOREA, AND NONE OF THE SPCs MAY BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT PURSUANT TO THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND THE DECREES AND REGULATIONS THEREUNDER (THE “FSCMA”), THE FETL AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES IN KOREA.

#### **NOTICE TO RESIDENTS OF THE PEOPLE’S REPUBLIC OF CHINA**

THE SPCs WILL NOT BE OFFERED OR SOLD IN THE PEOPLE’S REPUBLIC OF CHINA (EXCLUDING HONG KONG, MACAU AND TAIWAN, THE “PRC”) AS PART OF THE INITIAL DISTRIBUTION OF THE SPCs BUT MAY BE AVAILABLE FOR PURCHASE BY INVESTORS RESIDENT IN THE PRC FROM OUTSIDE THE PRC.

THIS OFFERING CIRCULAR SUPPLEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE PRC TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN THE PRC.

THE PRC DOES NOT REPRESENT THAT THIS OFFERING CIRCULAR SUPPLEMENT MAY BE LAWFULLY DISTRIBUTED, OR THAT ANY SPCs MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN THE PRC, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, OR ASSUME ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, NO ACTION HAS BEEN TAKEN BY THE PRC WHICH WOULD PERMIT A PUBLIC OFFERING OF ANY SPCs OR THE DISTRIBUTION OF THIS OFFERING CIRCULAR SUPPLEMENT IN THE PRC. ACCORDINGLY, THE SPCs ARE NOT BEING OFFERED OR SOLD WITHIN THE PRC BY MEANS OF THIS OFFERING CIRCULAR SUPPLEMENT OR ANY OTHER DOCUMENT. NEITHER THIS OFFERING CIRCULAR SUPPLEMENT NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN THE PRC, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS.

## **JAPAN**

THE SPCs HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS EXCHANGE ACT OF JAPAN (LAW NO. 25 OF 1948, AS AMENDED (THE “FIEL”)), AND EACH INITIAL PURCHASER HAS AGREED THAT IT WILL NOT OFFER OR SELL ANY SPCs, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY JAPANESE PERSON, OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO ANY JAPANESE PERSON, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEL AND ANY OTHER APPLICABLE LAWS AND REGULATIONS. FOR THE PURPOSES OF THIS PARAGRAPH, “JAPANESE PERSON” SHALL MEAN ANY PERSON RESIDENT IN JAPAN, INCLUDING ANY CORPORATION OR OTHER ENTITY ORGANIZED UNDER THE LAWS AND REGULATIONS OF JAPAN.

## **HONG KONG**

THE SPCs ARE NOT BEING OFFERED OR SOLD AND WILL NOT BE OFFERED OR SOLD IN HONG KONG, BY MEANS OF ANY DOCUMENT (EXCEPT FOR SPCs WHICH ARE A “STRUCTURED PRODUCT” AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE (CAP. 571) (THE “SFO”) OF HONG KONG) OTHER THAN (A) TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO; OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A “PROSPECTUS” AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32) (THE “C(WUMP)O”) OF HONG KONG OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O. NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SPCs HAS BEEN ISSUED OR WILL BE ISSUED, WHETHER IN HONG KONG OR ELSEWHERE, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO SPCs WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO.

**\$1,000,000,000**  
**(Approximate)**

**Multifamily Mortgage Pass-Through Certificates,  
Series 2017-KP04**

**FREMF 2017-KP04 Mortgage Trust  
issuing entity**

**Morgan Stanley Capital I Inc.  
depositor**

**Federal Home Loan Mortgage Corporation  
mortgage loan seller and guarantor**

We, Morgan Stanley Capital I Inc., intend to establish a trust to act as an issuing entity, which we refer to in this information circular as the “issuing entity.” The primary assets of the issuing entity will consist of 21 multifamily mortgage loans (comprising two uncrossed loan groups) secured by 21 mortgaged real properties with the characteristics described in this information circular. The underlying mortgage loans in Loan Group 1 were originated on June 29, 2009 and have initial terms to maturity of 120 months. The underlying mortgage loans in Loan Group 2 were originated on March 10, 2008 and had initial terms to maturity of 126 months. The issuing entity will issue four classes of certificates (the “certificates”), referred to in this information circular as the “offered certificates,” are being offered by this information circular, as listed below. The issuing entity will pay interest and/or principal monthly, commencing in December 2017. The offered certificates represent obligations of the issuing entity only (and, solely with respect to certain payments of interest and principal pursuant to a guarantee of the offered certificates described in this information circular, Freddie Mac), and do not represent obligations of or interests in us or any of our affiliates. We do not intend to list the offered certificates on any national securities exchange or any automated quotation system of any registered securities association.

This information circular was prepared solely in connection with the offering and sale of the offered certificates to Freddie Mac.

**Investing in the offered certificates involves risks. See “Risk Factors” beginning on page 33 of this information circular.**

<b>Offered Classes</b>	<b>Total Initial Principal Balance or Notional Amount</b>	<b>Pass-Through Rate or Description</b>	<b>Assumed Final Distribution Date</b>
Class A-G1	\$500,000,000	LIBOR + 0.2200%*	July 25, 2020
Class A-G2	\$500,000,000	LIBOR + 0.2000%*	October 25, 2019
Class X-G1	\$500,000,000	3.5860%**	July 25, 2020
Class X-G2	\$500,000,000	3.0340%**	October 25, 2019

\* Subject to a pass-through rate cap.

\*\* Approximate.

Delivery of the offered certificates will be made on or about November 28, 2017. Credit enhancement will be provided by the guarantee of the offered certificates by Freddie Mac as described under “Summary of Information Circular—The Offered Certificates—Freddie Mac Guarantee” and “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular.

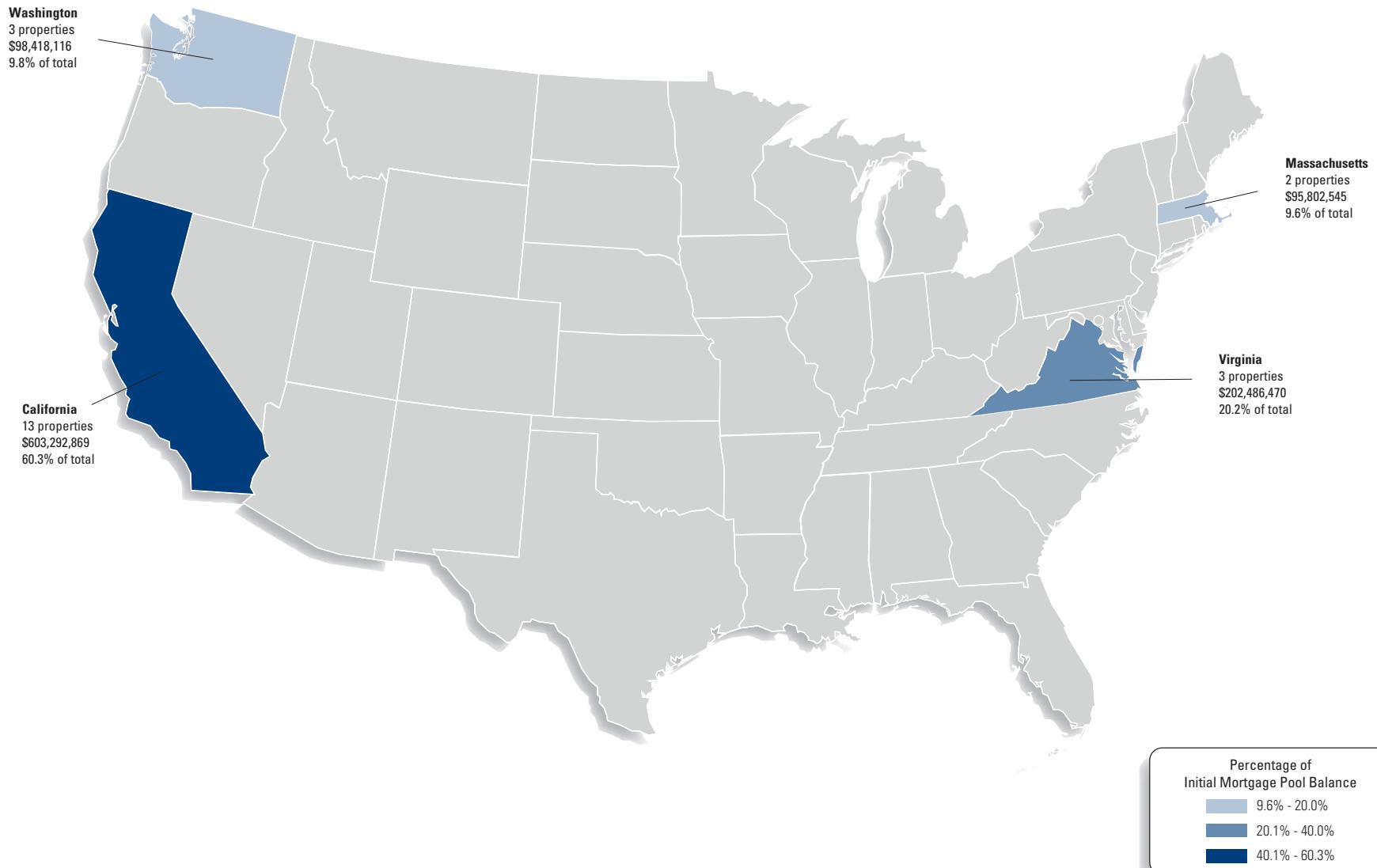
The issuing entity will be relying on an exclusion or exemption from the definition of “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”), contained in Section 3(c)(5) of the Investment Company Act or Rule 3a-7 under the Investment Company Act, although there may be additional exclusions or exemptions available to the issuing entity. The issuing entity is being structured so as not to constitute a “covered fund” for purposes of the Volcker Rule under the Dodd-Frank Act.

It is a condition to the issuance of the offered certificates that they be purchased and guaranteed by Freddie Mac as described in this information circular. The obligations of Freddie Mac under its guarantee of the offered certificates are obligations of Freddie Mac only. **Freddie Mac will not guarantee any class of certificates other than the offered certificates.** The offered certificates are not guaranteed by the United States of America (“United States”) and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. Income on the offered certificates has no exemption under federal law from federal, state or local taxation.

**Information Circular Dated November 16, 2017**

# FREMF 2017-KP04 Mortgage Trust

## Multifamily Mortgage Pass-Through Certificates Series 2017-KP04



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### Exhibits to Information Circular

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EXHIBIT D	—	DECREMENT TABLES FOR THE PRINCIPAL BALANCE CERTIFICATES
EXHIBIT E	—	PRICE/YIELD TABLES FOR THE CLASS X-G1- AND CLASS X-G2 CERTIFICATES

**You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.**

## **IMPORTANT NOTICE REGARDING THE CERTIFICATES**

**NONE OF THE DEPOSITOR, THE DEPOSITOR'S AFFILIATES, FREDDIE MAC OR ANY OTHER PERSON INTENDS TO RETAIN A 5% NET ECONOMIC INTEREST WITH RESPECT TO THE CERTIFICATES IN ANY OF THE FORMS PRESCRIBED BY ARTICLE 405(1) OF EUROPEAN UNION REGULATION 575/2013 OR BY ANY OTHER EUROPEAN UNION LEGISLATION THAT REQUIRES THAT THERE BE SUCH A RETENTION AS A CONDITION TO AN INVESTMENT IN THE CERTIFICATES BY A EUROPEAN INVESTOR SUBJECT TO SUCH LEGISLATION. FOR ADDITIONAL INFORMATION IN THIS REGARD, SEE "RISK FACTORS—RISKS RELATED TO THE OFFERED CERTIFICATES—LEGAL AND REGULATORY PROVISIONS AFFECTING INVESTORS COULD ADVERSELY AFFECT THE LIQUIDITY OF YOUR INVESTMENT" IN THIS INFORMATION CIRCULAR. IN ADDITION, NO PARTY WILL RETAIN RISK WITH RESPECT TO THIS TRANSACTION IN A FORM OR AN AMOUNT PURSUANT TO THE TERMS OF THE U.S. CREDIT RISK RETENTION RULE (12 C.F.R. PART 1234). SEE "DESCRIPTION OF THE MORTGAGE LOAN SELLER AND GUARANTOR—CREDIT RISK RETENTION" IN THIS INFORMATION CIRCULAR.**

## **IMPORTANT NOTICE ABOUT INFORMATION PRESENTED IN THIS INFORMATION CIRCULAR**

**THE PLACEMENT AGENTS DESCRIBED IN THIS INFORMATION CIRCULAR MAY FROM TIME TO TIME PERFORM INVESTMENT BANKING SERVICES FOR, OR SOLICIT INVESTMENT BANKING BUSINESS FROM, ANY COMPANY NAMED IN THIS INFORMATION CIRCULAR. THE PLACEMENT AGENTS AND/OR THEIR RESPECTIVE EMPLOYEES MAY FROM TIME TO TIME HAVE A LONG OR SHORT POSITION IN ANY SECURITY OR CONTRACT DISCUSSED IN THIS INFORMATION CIRCULAR.**

**THE INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR SUPERSEDES ANY PREVIOUS SUCH INFORMATION DELIVERED TO ANY INVESTOR.**

We provide information to you about the offered certificates in this information circular, which describes the specific terms of the offered certificates.

You should read this information circular in full to obtain material information concerning the offered certificates.

This information circular includes cross-references to sections in this information circular where you can find further related discussions. The Table of Contents in this information circular identifies the pages where these sections are located.

When deciding whether to invest in any of the offered certificates, you should only rely on the information contained in this information circular or as provided in "Description of the Mortgage Loan Seller and Guarantor—Freddie Mac Conservatorship" and "—Litigation Involving Mortgage Loan Seller and Guarantor" in this information circular. We have not authorized any dealer, salesman or other person to give any information or to make any representation that is different. In addition, information in this information circular is current only as of the date on its cover. By delivery of this information circular, we are not offering to sell any securities, and are not soliciting an offer to buy any securities, in any state or other jurisdiction where the offer and sale is not permitted.

## SUMMARY OF INFORMATION CIRCULAR

*This summary highlights selected information from this information circular and does not contain all of the information that you need to consider in making your investment decision. To understand all of the terms of the offered certificates, carefully read this information circular. This summary provides an overview of certain information to aid your understanding and is qualified by the full description presented in this information circular.*

### Transaction Overview

The offered certificates will be part of a series of multifamily mortgage pass-through certificates designated as the Series 2017-KP04 Multifamily Mortgage Pass-Through Certificates. The certificates will consist of four classes which comprise two groups of certificates. One group of certificates will be backed by the underlying mortgage loans in Loan Group 1 and one group of certificates will be backed by the underlying mortgage loans in Loan Group 2. The table below identifies and specifies various characteristics for those classes.

Class <sup>(1)</sup>	Total Initial Principal Balance or Notional Amount	% of Total Initial Certificate Group Principal Balance	Pass-Through Rate or Description	Assumed Weighted Average Life (Years) <sup>(1)(2)</sup>	Assumed Principal Window <sup>(1)(3)</sup>	Assumed Final Distribution Date <sup>(1)(4)</sup>
<u>Offered Certificates:</u>						
A-G1	\$500,000,000	100%	LIBOR + 0.2200% <sup>(5)</sup>	2.66	32-32	July 25, 2020
A-G2	\$500,000,000	100%	LIBOR + 0.2000% <sup>(5)</sup>	1.91	23-23	October 25, 2019
X-G1	\$500,000,000	N/A	Variable IO	2.66	N/A	July 25, 2020
X-G2	\$500,000,000	N/A	Variable IO	1.91	N/A	October 25, 2019

- (1) As to any given class of certificates shown in this table, the assumed weighted average life, the assumed principal window and the Assumed Final Distribution Date have been calculated based on the applicable Modeling Assumptions, including, among other things, that—
  - (i) there are no voluntary or involuntary prepayments with respect to the underlying mortgage loans,
  - (ii) there are no delinquencies, modifications or losses with respect to the underlying mortgage loans,
  - (iii) there are no modifications, extensions (other than the extension to the respective extended maturity dates as provided in the underlying loan documents), waivers or amendments affecting the monthly debt service or balloon payments by borrowers on the underlying mortgage loans,
  - (iv) all extension options are exercised with respect to the underlying mortgage loans, and
  - (v) the certificates are not redeemed prior to their Assumed Final Distribution Date pursuant to the clean-up call described under the heading “—The Offered Certificates—Optional Retirement” below.
- (2) As to the class A-G1 and A-G2 certificates, the assumed weighted average life is the average amount of time in years between the assumed settlement date for the certificates and the payment of each dollar of principal on that class. As to the class X-G1 and X-G2 certificates, the assumed weighted average life is the average amount of time in years between the assumed settlement date for that class and the application of each dollar to be applied in reduction of the notional amount of that class.
- (3) As to the class A-G1 and A-G2 certificates, the assumed principal window is the period during which holders of that class are expected to receive distributions of principal.
- (4) As to the class A-G1 and A-G2 certificates, the Assumed Final Distribution Date is the distribution date on which the last distribution of principal and interest (if any) is assumed to be made on that class. As to the class X-G1 and X-G2 certificates, the Assumed Final Distribution Date is the distribution date on which the last reduction to the notional amount of that class is expected to occur.
- (5) For each distribution date, LIBOR will be determined as described under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans” in this information circular. The pass-through rates for the class A-G1 and A-G2 certificates will be subject to pass-through rate caps equal to the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group minus the Guarantee Fee Rate (*provided* that in no event will the class A-G1 or A-G2 pass-through rate be less than zero). The class A-G1 and A-G2 certificates will bear interest at a floating rate. The timely payment of interest on and the ultimate payment of principal (if any) of the offered certificates and the reimbursement of Realized Losses allocated to the offered certificates will be guaranteed by Freddie Mac, as described in this information circular.

In reviewing the table above, please note that:

- The class A-G1 certificates and the class A-G2 certificates will have principal balances (collectively, the “Principal Balance Certificates”).
- The class X-G1 and X-G2 certificates will have notional amounts. The class A-G1, A-G2, X-G1 and X-G2 certificates will bear interest. The class X-G1 and X-G2 certificates constitute the “interest-only

certificates.” The class A-G1 and X-G1 certificates are referred to in this information circular as the “Loan Group 1 Certificates” and will be entitled to distributions attributable to amounts collected on the underlying mortgage loans in Loan Group 1. The class A-G2 and X-G2 certificates are referred to in this information circular as the “Loan Group 2 Certificates” and will be entitled to distributions attributable to amounts collected on the underlying mortgage loans in Loan Group 2. No class of Loan Group 1 Certificates will be entitled to any distributions of funds attributable to amounts collected on the underlying mortgage loans in Loan Group 2 and no class of Loan Group 2 Certificates will be entitled to any distributions of funds attributable to amounts collected on the underlying mortgage loans in the Loan Group 1. The Loan Group 1 Certificates and the Loan Group 2 Certificates are sometimes referred to in this information circular as “Loan Group Certificates” and all of the certificates comprising either the Loan Group 1 Certificates or the Loan Group 2 Certificates are sometimes referred to in this information circular as a “Certificate Group.”

- The initial principal balance or notional amount of any class shown in the table may be larger or smaller depending on, among other things, the actual initial Loan Group 1 balance or initial Loan Group 2 balance, as applicable. The initial Loan Group 1 balance or initial Loan Group 2 balance may be up to 5% more or less than the amount shown in the tables on page 31, respectively.
- The initial Loan Group 1 balance and initial Loan Group 2 balance, as applicable, refer to the aggregate outstanding principal balance of the underlying mortgage loans in the related Loan Group as of the Cut-off Date, after application of all payments of principal due with respect to such underlying mortgage loans on or before those due dates, whether or not received.
- The class A-G1 and A-G2 certificates will bear interest and such interest will accrue based on the assumption that each year is 360 days long and the actual number of days elapsed in the applicable Interest Accrual Period (an “Actual/360 Basis”). The class X-G1 and X-G2 certificates will bear interest and such interest will accrue based on the assumption that each year is 360 days long and consists of 12 months each consisting of 30 days (a “30/360 Basis”).
- The class A-G1 and A-G2 certificates will bear interest at a *per annum* pass-through rate equal to the lesser of (i) LIBOR plus the specified margin for that class set forth in the table; and (ii) the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group and the related distribution date minus the Guarantee Fee Rate; *provided* that in no event will such pass-through rate be less than zero.
- As of any date of determination, the class X-G1 certificates will have a notional amount that is equal to the then outstanding principal balance of the class A-G1 certificates and the class X-G2 certificates will have a notional amount that is equal to the then outstanding principal balance of the class A-G2 certificates.
- Any Static Prepayment Premium or Yield Maintenance Charge collected in respect of any of the underlying mortgage loans in Loan Group 1 will be distributed to the holders of the class X-G1 certificates, and Static Prepayment Premium or Yield Maintenance Charge collected in respect of any of the underlying mortgage loans in Loan Group 2 will be distributed to the holders of the class X-G2 certificates subject to the qualifications described under “Description of the Certificates—Distributions—Distributions of Static Prepayment Premiums and Yield Maintenance Charges”.
- The pass-through rate for the class X-G1 certificates for any Interest Accrual Period will be a rate *per annum* equal to the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 1 for the related distribution date minus the Guarantee Fee Rate, over (ii) the pass-through rate for the class A-G1 certificates (*provided*, that in no event may any class X-G1 pass-through rate be less than zero).
- The pass-through rate for the class X-G2 certificates for any Interest Accrual Period will be a rate *per annum* equal to the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 2 for the related distribution date minus the Guarantee Fee Rate, over (ii) the pass-through rate for the class A-G2 certificates (*provided*, that in no event may any class X-G2 pass-through rate be less than zero).

- “Net Mortgage Interest Rate” means, with respect to any underlying mortgage loan (or any successor REO Loan), the related mortgage interest rate (fixed or LIBOR plus a spread) then in effect reduced by the sum of the annual rates at which the master servicer surveillance fee (if any), the special servicer surveillance fee (if any), the master servicing fee, the sub-servicing fee, the certificate administrator fee and the trustee fee are calculated.
- “Net Mortgage Pass-Through Rate” means, (i) with respect to any underlying mortgage loan (or any successor REO Loan) when it accrues interest on a 30/360 Basis, for any distribution date, a rate *per annum* equal to either (a) the Original Net Mortgage Interest Rate for such underlying mortgage loan or (b) if the mortgage interest rate for such underlying mortgage loan is increased in connection with a subsequent modification of such underlying mortgage loan after the Cut-off Date (but, for the avoidance of doubt, not if the mortgage interest rate is decreased), the Net Mortgage Interest Rate for such underlying mortgage loan; and (ii) with respect to any underlying mortgage loan when it accrues interest on an Actual/360 Basis for any distribution date, a rate *per annum* equal to the greater of (a) the Net Mortgage Interest Rate for such underlying mortgage loan and (b) the Original Net Mortgage Interest Rate for such underlying mortgage loan; *provided that* if the Net Mortgage Interest Rate for any underlying mortgage loan is less than the Original Net Mortgage Interest Rate for such underlying mortgage loan solely due to a reduction in such underlying mortgage loan’s interest rate margin over LIBOR that occurs after the Cut-off Date but that was provided for in the related loan agreement as of the Cut-off Date (but, for the avoidance of doubt, that is not due to a modification of such underlying mortgage loan after the Cut-off Date), for purposes of this definition of Net Mortgage Pass-Through Rate, the Original Net Mortgage Interest Rate will also be deemed to be reduced by the amount of such reduction.
- “Original Net Mortgage Interest Rate” means, with respect to any underlying mortgage loan (or any successor REO Loan), the Net Mortgage Interest Rate in effect for such underlying mortgage loan as of the Cut-off Date (or, in the case of any underlying mortgage loan substituted in replacement of another underlying mortgage loan pursuant to or as contemplated by the mortgage loan purchase agreement, as of the date of substitution).
- “Weighted Average Net Mortgage Pass-Through Rate” means, with respect to either Loan Group and for each distribution date, the weighted average of the respective Net Mortgage Pass-Through Rates with respect to all of the underlying mortgage loans in such Loan Group for that distribution date, weighted on the basis of their respective Stated Principal Balances immediately prior to that distribution date.

See “Description of the Certificates—Distributions—Calculation of Pass-Through Rates” in this information circular.

The document that will govern the issuance of the certificates, the creation of the related issuing entity and the servicing and administration of the underlying mortgage loans will be a pooling and servicing agreement, to be dated as of November 1, 2017 (the “Pooling and Servicing Agreement”), among us, as depositor, Freddie Mac, as master servicer, special servicer and guarantor, and U.S. Bank National Association, as trustee, certificate administrator and custodian.

The certificates will evidence the entire beneficial ownership of the issuing entity that we intend to establish. The primary assets of that issuing entity will be a segregated pool of multifamily mortgage loans comprising two uncrossed Loan Groups. See “Risk Factors—Risks Related to the Underlying Mortgage Loans—The Underlying Mortgage Loans Are Seasoned Loans And Some Of The Underlying Mortgage Loans Lack Features That Are Characteristic Of Loans Contributed to Other Recent Freddie Mac Multifamily Securitizations” and “—The Underlying Mortgage Loans Are Seasoned Loans, Which May Experience a Higher Rate of Prepayment Than Non-Seasoned Loans” in this information circular. The underlying mortgage loans will provide for monthly debt service payments and, except as described under “—The Underlying Mortgage Loans” below, will each have a mortgage interest rate in the absence of default that is fixed for an initial period that expires 120 months following the origination date of such underlying mortgage loan in Loan Group 1 and 126 months following the origination date of such underlying mortgage loan in Loan Group 2, and thereafter, so long as no event of default has occurred, the maturity date for each underlying mortgage loan will automatically be extended for 12 months, during which term, the interest rate is adjustable on monthly loan reset dates for such underlying mortgage loan (a “Hybrid ARM” underlying mortgage loan). Loan Group 1 is comprised of 11 underlying mortgage loans. Loan Group 2 is

comprised of 10 underlying mortgage loans. The underlying mortgage loans in each Loan Group are cross-collateralized and cross-defaulted with each other, but not with any of the underlying mortgage loans in the other Loan Group. We will acquire the underlying mortgage loans, for deposit in the issuing entity, from the mortgage loan seller. As of the applicable due dates in November 2017 for the underlying mortgage loans (which will be November 1, 2017, subject, in some cases, to a next succeeding business day convention), which we refer to in this information circular as the “Cut-off Date,” the underlying mortgage loans will have the general characteristics discussed under the heading “—The Underlying Mortgage Loans” below.

**Relevant Parties/Entities**

<b>Issuing Entity</b> .....	FREMF 2017-KP04 Mortgage Trust, a New York common law trust, will be formed on the Closing Date pursuant to the Pooling and Servicing Agreement. See “Description of the Issuing Entity” in this information circular.
<b>Mortgage Loan Seller</b> .....	Freddie Mac, a corporate instrumentality of the United States created and existing under Title III of the Emergency Home Finance Act of 1970, as amended (the “ <u>Freddie Mac Act</u> ”), or any successor to it, will act as the mortgage loan seller. Freddie Mac will also act as the guarantor of the offered certificates (in such capacity, the “ <u>Guarantor</u> ”), master servicer, special servicer and servicing consultant with respect to the underlying mortgage loans. Freddie Mac maintains an office at 8200 Jones Branch Drive, McLean, Virginia 22102. See “Description of the Mortgage Loan Seller and Guarantor” in this information circular.
<b>Depositor</b> .....	Morgan Stanley Capital I Inc., a Delaware corporation, will create the issuing entity and transfer the underlying mortgage loans to it. We are an affiliate of Morgan Stanley & Co. LLC, which will be one of the placement agents for the SPCs. Our principal executive office is located at 1585 Broadway, New York, New York 10036. All references to “we,” “us” and “our” in this information circular are intended to mean Morgan Stanley Capital I Inc. See “Description of the Depositor” in this information circular.
<b>Originators</b> .....	All of the underlying mortgage loans in Loan Group 1 were originated by Berkeley Point Capital LLC (as successor in interest to Deutsche Bank Berkshire Mortgage, Inc.). All of the underlying mortgage loans in Loan Group 2 were originated by Wells Fargo Bank, National Association (for itself and as successor in interest to Wachovia Multifamily Capital, Inc.) (collectively, the “ <u>Originators</u> ”), and was acquired by the mortgage loan seller. See “Description of the Underlying Mortgage Loans—Originators” in this information circular. As of the Closing Date, the underlying mortgage loans in Loan Group 1 will be sub-serviced by Berkeley Point Capital LLC pursuant to a sub-servicing agreement between the master servicer and Berkeley Point Capital LLC and the underlying mortgage loans in Loan Group 2 will be sub-serviced by Wells Fargo Bank, National Association pursuant to a sub-servicing agreement between the master servicer and Wells Fargo Bank, National Association. Subject to meeting certain requirements, each Originator has the right to, and may, appoint itself or its affiliate as the sub-servicer for any of the underlying mortgage loans it originated. See “The Pooling and Servicing Agreement—Sub-Servicers” and “—Summary of Sub-Servicing Agreements” in this information circular. See Exhibit A-1 for the identity of the applicable Originator for each underlying mortgage loan.
<b>Master Servicer and Servicing Consultant</b> .....	Freddie Mac will act as master servicer and servicing consultant with respect to the underlying mortgage loans. Freddie Mac is also the special servicer, mortgage loan seller and the Guarantor of the offered certificates. Freddie Mac maintains a servicing office at 8100 Jones Branch Drive, McLean, Virginia 22102. As of the Closing Date, all of the underlying mortgage loans will be sub-serviced by various sub-

servicers pursuant to sub-servicing agreements (each such sub-servicing agreement, a “Sub-Servicing Agreement”) between the master servicer and each of the sub-servicers. Subject to meeting certain requirements, each Originator has the right to, and may, appoint itself or its affiliate as the sub-servicer for any of the underlying mortgage loans it originated. See “The Pooling and Servicing Agreement—Sub Servicers” and “—Summary of Sub-Servicing Agreements” in this information circular for information regarding any sub-servicer that is sub-servicing a significant portion of the mortgage pool and information regarding the terms of the related Sub-Servicing Agreement. See Exhibit A-1 for the identity of the applicable Originator for each underlying mortgage loan.

As consideration for servicing the underlying mortgage loans, the master servicer will receive a master servicing fee and a sub-servicing fee with respect to each underlying mortgage loan.

In addition, the master servicer will receive a master servicer surveillance fee with respect to each Surveillance Fee Mortgage Loan, subject to the rights of the sub-servicers as described in “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—The Servicing Fee” in this information circular. See “Description of the Certificates—Fees and Expenses” in this information circular for the applicable rates at which such fees accrue and “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—The Servicing Fee” in this information circular for further information regarding such fees.

The master servicing fee, the master servicer surveillance fee and the sub-servicing fees are components of the “Administration Fee Rate” set forth on Exhibit A-1. Such fees are calculated on the same basis as interest on each underlying mortgage loan and will be paid out of interest payments received from the related borrower prior to any distributions being made on the offered certificates. The master servicer will also be entitled to additional servicing compensation in the form of borrower-paid fees as more particularly described in this information circular. See “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Additional Servicing Compensation” and “—The Master Servicer and the Special Servicer” in this information circular.

The Pooling and Servicing Agreement provides that if Freddie Mac is no longer the master servicer, any Third Party Master Servicer may consult with Freddie Mac (in its capacity as servicing consultant) with respect to the application of Freddie Mac Servicing Practices on non-Specially Serviced Mortgage Loans.

“Third Party Master Servicer” means any entity other than Freddie Mac appointed as a successor master servicer under the Pooling and Servicing Agreement or any successor to such successor entity.

**Special Servicer.....**

Freddie Mac will act as the special servicer with respect to the underlying mortgage loans. Freddie Mac is also the master servicer, the servicing consultant, the mortgage loan seller and the Guarantor of the offered certificates. Freddie Mac maintains a servicing office at 8100 Jones Branch Drive, McLean, Virginia 22102. The special servicer will, in general, be responsible for servicing and administering:

- underlying mortgage loans that, in general, are in default or as to which default is reasonably foreseeable; and
- any real estate acquired by the issuing entity upon foreclosure of a Defaulted Loan.

As consideration for servicing each Specially Serviced Mortgage Loan and each underlying mortgage loan as to which the corresponding mortgaged real property has become subject to a foreclosure proceeding, the special servicer will receive a special servicing fee. In addition, the special servicer will receive a special servicer surveillance fee with respect to each Surveillance Fee Mortgage Loan. The special servicer surveillance fee is a component of the “Administration Fee Rate” set forth on Exhibit A-1. Such fees will be calculated on the same basis as interest on each underlying mortgage loan and will generally be payable to the special servicer monthly from collections on the underlying mortgage loans. Additionally, the special servicer will, in general, be entitled to receive a workout fee with respect to each Specially Serviced Mortgage Loan that has been returned to performing status. The special servicer will also be entitled to receive a liquidation fee with respect to each Specially Serviced Mortgage Loan for which a full, partial or discounted payoff is made or Liquidation Proceeds are received. However, no liquidation fee is payable in connection with certain purchases by Freddie Mac, the mortgage loan seller or the special servicer. See “Description of the Certificates—Fees and Expenses” in this information circular for the applicable rates at which such fees accrue and “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Principal Special Servicing Compensation” in this information circular for further information regarding such fees.

Any entity other than Freddie Mac appointed as a successor special servicer under the Pooling and Servicing Agreement or any successor to such successor entity is referred to herein as the “Third Party Special Servicer”.

At any time that Freddie Mac is not acting as special servicer and an Affiliated Borrower Special Servicer Loan Event occurs, the Pooling and Servicing Agreement will require that the Third Party Special Servicer promptly resign as special servicer of the related Affiliated Borrower Special Servicer Loan and provides for the appointment of a successor Affiliated Borrower Special Servicer to act as the special servicer with respect to such Affiliated Borrower Special Servicer Loan. Freddie Mac will have the right to select a successor Affiliated Borrower Special Servicer in accordance with the requirements of the Pooling and Servicing Agreement.

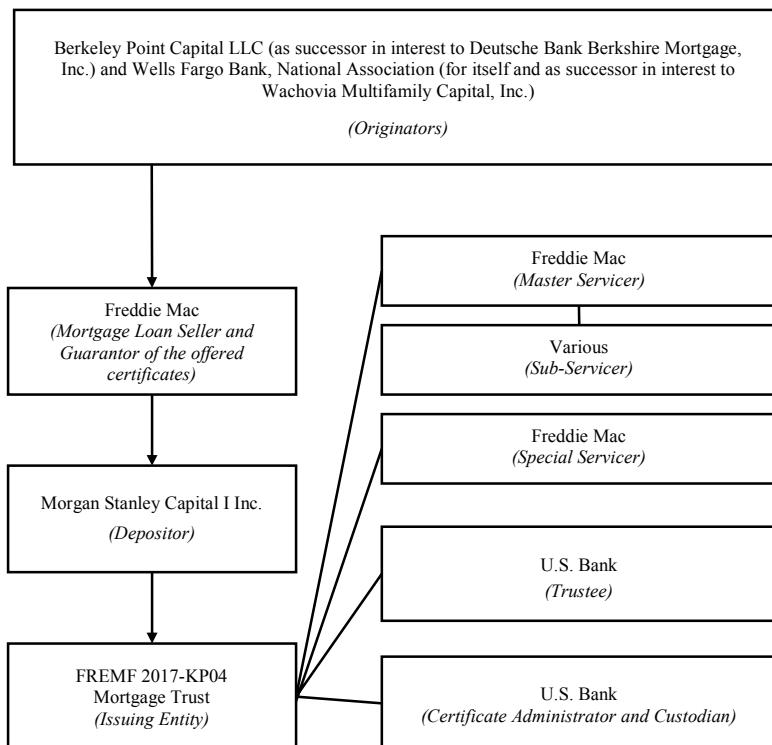
For further information relating to Affiliated Borrower Special Servicer Loan Events, see “The Pooling and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Resignation of the Master Servicer or the Special Servicer” and “—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer” in this information circular.

**Trustee, Certificate Administrator  
and Custodian.....**

U.S. Bank National Association, a national banking association (“U.S. Bank”), will act as the trustee on behalf of the certificateholders. The trustee’s principal address is One Federal Street, 3rd Floor, Mail Code EX-MA-FED, Boston, Massachusetts 02110. As consideration for acting as trustee, U.S. Bank will receive a trustee fee. The trustee fee is a component of the “Administration Fee Rate” set forth on Exhibit A-1. See “Description of the Certificates—Fees and Expenses” in this information circular for the applicable rate at which such fee accrues and “The Pooling and Servicing Agreement—Matters Regarding the Trustee, the Certificate Administrator and the Custodian” in this information circular for further information regarding such fees.

U.S. Bank will also act as the certificate administrator, the custodian and the certificate registrar. The certificate administrator’s principal address is One Federal Street, 3rd Floor, Mail Code EX-MA-FED, Boston Massachusetts 02110 (and for certificate transfer purposes, 111 Fillmore Avenue, St. Paul, Minnesota 55107, Attention: Bondholder Services – FREMF 2017-KP04), and it has a custodial office at 1113 Rankin Street, Suite 100, St. Paul, Minnesota 55116, Attention: Multifamily Mortgage Pass-Through Certificates, Series 2017-KP04, FREMF 2017-KP04 Mortgage Trust. As consideration for acting as certificate administrator, custodian and certificate registrar, U.S. Bank will receive a certificate administrator fee. The certificate administrator fee is a component of the “Administration Fee Rate” set forth on Exhibit A-1. Such fee will be calculated on the same basis as interest on each underlying mortgage loan. See “Description of the Certificates—Fees and Expenses” in this information circular for the applicable rate at which such fee accrues. See “The Pooling and Servicing Agreement—Matters Regarding the Trustee, the Certificate Administrator and the Custodian” in this information circular for further information regarding such fees and “The Pooling and Servicing Agreement—The Trustee, Certificate Administrator and Custodian” in this information circular for further information about the trustee, the certificate administrator and the custodian.

**Parties** ..... The following diagram illustrates the various parties involved in the transaction and their functions.



**Freddie Mac Servicing Control Rights** ..... As and to the extent described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this information circular, Freddie Mac may direct any Third Party Master Servicer or Third Party Special Servicer with respect to various servicing matters involving each of the underlying mortgage loans, including the right to approve and consent to certain actions with respect to the underlying mortgage loans. In directing such servicing decisions, Freddie Mac may rely on internal policies and procedures which are not generally made public and will be acting solely for its own benefit.

**Guarantor** ..... Freddie Mac will act as Guarantor of the class A-G1, A-G2, X-G1 and X-G2 certificates offered by this information circular. Freddie Mac is entitled to a Guarantee Fee as described under “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular. For a discussion of the Freddie Mac Guarantee, see “—The Offered Certificates—Freddie Mac Guarantee” below and “Description of the Mortgage Loan Seller and Guarantor—Proposed Operation of Multifamily Mortgage Business on a Stand-Alone Basis” in this information circular.

**Junior Loan Holder** ..... Although all of the underlying mortgage loans are secured by first-liens on the related mortgaged real properties, if the related borrowers exercise their options to obtain supplemental secured financing as described under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt” in this information circular, Freddie Mac will be the initial holder of junior loans secured by junior liens on the

applicable mortgaged real properties (subject to intercreditor agreements). Freddie Mac may subsequently transfer the junior lien loans it holds in secondary market transactions, including securitizations.

#### **Significant Dates and Periods**

<b>Cut-off Date</b>	The underlying mortgage loans will be considered assets of the issuing entity as of their applicable due dates in November 2017 (which will be November 1, 2017, in some cases subject to a next succeeding business day convention). All payments and collections received on each of the underlying mortgage loans after the Cut-off Date, excluding any payments or collections that represent amounts due on or before the Cut-off Date, will belong to the issuing entity.
<b>Closing Date</b>	The date of initial issuance for the certificates will be on or about November 28, 2017.
<b>Due Dates</b>	Subject, in some cases, to a next succeeding business day convention, monthly installments of principal and/or interest will be due on the first day of the month with respect to each of the underlying mortgage loans.
<b>Determination Date</b>	The monthly cut-off for collections on the underlying mortgage loans that are to be distributed, and information regarding the underlying mortgage loans that is to be reported, to the holders of the certificates on any distribution date will be the close of business on the determination date in the same month as that distribution date. The determination date will be the 11th calendar day of each month, commencing in December 2017, or, if the 11th calendar day of any such month is not a Business Day, then the next succeeding Business Day.
<b>Distribution Date</b>	Distributions of principal and/or interest on the certificates are scheduled to occur monthly, commencing in December 2017. The distribution date will be the 25th calendar day of each month, or, if the 25th calendar day of any such month is not a Business Day, then the next succeeding Business Day.
<b>Record Date</b>	The record date for each monthly distribution on a certificate will be the last Business Day of the prior calendar month. The registered holders of the certificates at the close of business on each record date will be entitled to receive any distribution on those certificates on the following distribution date, except that the final distribution on any offered certificate will be made only upon presentation and surrender of that certificate at a designated location.
<b>Collection Period</b>	Amounts available for distribution on the certificates on any distribution date will depend on the payments and other collections received, and any advances of payments due, on or with respect to the underlying mortgage loans during the related Collection Period. Each Collection Period— <ul style="list-style-type: none"><li>• will relate to a particular distribution date;</li><li>• will begin when the prior Collection Period ends or, in the case of the first Collection Period, will begin on the Cut-off Date; and</li><li>• will end at the close of business on the determination date that occurs in the same month as the related distribution date.</li></ul>

<b>Interest Accrual Period</b>	The amount of interest payable with respect to the certificates on any distribution date will be a function of the interest accrued during the related Interest Accrual Period. The “ <u>Interest Accrual Period</u> ,” will be (i) with respect to the class A-G1 and A-G2 certificates and the first distribution date, the period commencing on the Closing Date and ending on December 24, 2017, (ii) with respect to the class A-G1 and A-G2 certificates and any distribution date thereafter, the period commencing on and including the 25th day of the month preceding the month in which such distribution date occurs and ending on and including the 24th day of the month in which such distribution date occurs, (iii) with respect to the class X-G1 and X-G2 certificates and any distribution date, the calendar month preceding such distribution date and (iv) with respect to any underlying mortgage loan and any due date, the calendar month immediately preceding the month in which such due date occurs.
<b>Assumed Final Distribution Date</b>	For each class of offered certificates, the applicable date set forth on the cover page.
<b><u>The Offered Certificates</u></b>	
<b>General</b>	The certificates offered by this information circular are the class A-G1, A-G2, X-G1 and X-G2 certificates. Each class of offered certificates will have the initial principal balance or notional amount and pass-through rate set forth or described in the table on page 5 or otherwise described above under “—Transaction Overview”. There are no other securities offered by this information circular.
<b>Collections</b>	The master servicer or the special servicer, as applicable, will be required to make reasonable efforts in accordance with the Servicing Standard to collect all payments due under the terms and provisions of the underlying mortgage loans. Such payments will be deposited in the collection account on a daily basis.
<b>Distributions</b>	Funds collected or advanced on the underlying mortgage loans will be distributed on each corresponding distribution date, net of (i) specified issuing entity expenses, including master servicing fees, special servicing fees, sub-servicing fees, master servicer surveillance fees, special servicer surveillance fees, certificate administrator fees, trustee fees, Guarantee Fees, certain expenses, related compensation and indemnities, (ii) amounts used to reimburse advances made by the master servicer or the trustee and (iii) amounts used to reimburse Balloon Guarantor Payments or interest on such amounts.
<b>Priority of Distributions</b>	<p>The allocation of interest distributions between the class A-G1 and X-G1 certificate is to be made concurrently on a <i>pro rata</i> basis based on the interest accrued with respect to each such class.</p> <p>The allocation of interest distributions between the class A-G2 and X-G2 certificates is to be made concurrently on a <i>pro rata</i> basis based on the interest accrued with respect to each such class.</p> <p>The class X-G1 and X-G2 certificates do not have principal balances and do not entitle holders to distributions of principal.</p> <p>No form of credit enhancement will be available to you as a holder of offered certificates, other than the Freddie Mac Guarantee as described</p>

under “—Freddie Mac Guarantee” below and “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular.

**Freddie Mac Guarantee** ..... It is a condition to the issuance of the offered certificates that they be purchased by Freddie Mac and that Freddie Mac guarantee certain payments on the offered certificates, as described in this information circular (the “Freddie Mac Guarantee”). Any Guarantor Payment made to the class A-G1 or A-G2 certificates in respect of principal will reduce the outstanding principal balance of such class by a corresponding amount and will also result in a corresponding reduction in the notional amount of the class X-G1 certificates. Any Guarantor Payment made to the class A-G2 certificates in respect of principal will reduce the outstanding principal balance of such class by a corresponding amount and will also result in a corresponding reduction in the notional amount of the class X-G2 certificates. The Freddie Mac Guarantee does not cover Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment premiums related to the underlying mortgage loans. In addition, the Freddie Mac Guarantee does not cover any loss of yield on the class X-G1 or X-G2 certificates following a reduction in the notional amount of the class X-G1 or X-G2 certificates resulting from a reduction of the outstanding principal balance of the class A-G1 or A-G2 certificates, respectively. See “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular.

Freddie Mac is entitled to a Guarantee Fee as described under “Description of the Certificates—Fees and Expenses” and “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular.

The offered certificates are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to pay under the Freddie Mac Guarantee, the offered certificates could be subject to losses.

See “Risk Factors—Risks Related to the Offered Certificates—Credit Support Is Limited and May Not Be Sufficient to Prevent Loss on the Offered Certificates” and “Risk Factors—Risks Relating to the Mortgage Loan Seller and Guarantor” in this information circular. Freddie Mac will not guarantee any class of certificates other than the offered certificates.

**Interest Distributions** ..... During each Interest Accrual Period, the class A-G1 and A-G2 certificates will bear interest that will accrue on an Actual/360 Basis and the class X-G1 and X-G2 certificates will bear interest that will accrue on a 30/360 Basis, in each case based on:

- the pass-through rate with respect to that class for that Interest Accrual Period; and
- the outstanding principal balance or notional amount, as the case may be, of that class outstanding immediately prior to the related distribution date.

Although the loan documents require the payment of a full month’s interest on any voluntary prepayment not made on a due date, a whole

or partial prepayment on an underlying mortgage loan may not be accompanied by the amount of a full month's interest on the prepayment in some instances. To the extent those shortfalls are not covered by the master servicer as described under "The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses" in this information circular, they will be allocated as described under "Description of the Certificates—Distributions—Interest Distributions" in this information circular to reduce the amount of accrued interest otherwise payable to the holders of the offered certificates. However, such shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee.

On each distribution date, subject to available funds, you will be entitled to receive your proportionate share of all unpaid distributable interest accrued with respect to your class of offered certificates for the related Interest Accrual Period if such amounts were not paid pursuant to the Freddie Mac Guarantee. See "Legal and Investment Considerations—Investment Considerations" below. See "Description of the Certificates—Distributions—Interest Distributions" and "—Distributions—Priority of Distributions" in this information circular.

**Principal Distributions** ..... Subject to—

- available funds,
- the distribution priorities described under "—Priority of Distributions" above,
- payments under the Freddie Mac Guarantee, and
- the reductions to the outstanding principal balances described under "—Reductions of Certificate Principal Balances in Connection with Losses and Expenses" below,

the class A-G1 and A-G2 certificates will be entitled to a total amount of principal distributions over time equal to the respective outstanding principal balances of such classes. The total distributions of principal to be made on the Loan Group 1 Certificates and the Loan Group 2 Certificates, respectively, on any distribution date will, in general, be a function of—

- the amount of scheduled payments of principal due or, in some cases, deemed due, on the underlying mortgage loans in the related Loan Group during the related Collection Period, which payments are either received as of the end of that Collection Period, advanced by the master servicer and/or the trustee, as applicable, or are the subject of a Balloon Guarantor Payment, and
- the amount of any prepayments and other unscheduled collections of previously unadvanced principal with respect to the underlying mortgage loans in the related Loan Group that are received during the related Collection Period.

However, if the master servicer or the trustee is reimbursed for any Nonrecoverable Advance or Workout-Delayed Reimbursement Amount (in each case, together with accrued interest on such amounts), such amount will be deemed to be reimbursed first out of payments and other collections of principal on all the underlying mortgage loans in

the related Loan Group (thereby reducing the amount of principal otherwise distributable on the Principal Balance Certificates of the related Certificate Group on the related distribution date), prior to being deemed reimbursed out of payments and other collections of interest on all the underlying mortgage loans in the related Loan Group. See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” and “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this information circular.

If any borrower fails to pay the entire outstanding principal balance of an underlying Balloon Loan on its scheduled maturity date, the Guarantor will be required, pursuant to the Freddie Mac Guarantee, to make a Balloon Guarantor Payment in an amount equal to the amount of principal that otherwise would have been paid on the Principal Balance Certificates if such underlying Balloon Loan had been paid in full on its scheduled maturity date. However, such payment may not exceed the outstanding principal balance of the applicable class of Principal Balance Certificates less any principal scheduled to be distributed to the holders of the applicable class of Principal Balance Certificates on such distribution date. The amount of any such Balloon Guarantor Payment made to any class of Principal Balance Certificates will reduce the outstanding principal balance of such class by the corresponding amount and will also result in a corresponding reduction in the notional amount of the class X-G1 certificates (in the case of a Balloon Guarantor Payment to the class A-G1 certificates) or in the notional amount of the class X-G2 certificates (in the case of a Balloon Guarantor Payment to the class A-G2 certificates). See “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular. Each Balloon Guarantor Payment will be reimbursed to the Guarantor first from subsequent collections on the related underlying Balloon Loan, net of any such collections used to reimburse the master servicer or the trustee, as applicable, for advances made by them (including interest on those advances) on such underlying Balloon Loan or on other underlying mortgage loans in the related Loan Group if determined to be nonrecoverable (and therefore the principal portion of any such subsequent collections will not be included in the Principal Distribution Amount for future distribution dates) and second as described under “Description of the Certificates—Distributions—Priority of Distributions” in this information circular.

The certificate administrator will be required to make principal distributions on the Principal Balance Certificates taking account of whether the payments (or advances in lieu of the payments) and other collections of principal that are to be distributed were received and/or made with respect to the underlying mortgage loans in the related Loan Group, that generally equal (i) for the class A-G1 certificates, an amount (not to exceed the principal balance of the class A-G1 certificates outstanding immediately prior to the subject distribution date) equal to the related Principal Distribution Amount for the subject distribution date, until the outstanding principal balance of such class of certificates is reduced to zero; and (ii) in the case of the class A-G2 certificates, an amount (not to exceed the principal balance of the class A-G2 certificates outstanding immediately prior to the subject distribution date) equal to the related Principal Distribution Amount for

the subject distribution date until the outstanding principal balance of such class of certificates is reduced to zero.

The class X-G1 and class X-G2 certificates do not have a principal balance and are not entitled to any distributions of principal.

See “Description of the Certificates—Distributions—Principal Distributions” and “—Priority of Distributions” in this information circular.

**Distributions of Static Prepayment Premiums and Yield Maintenance Charges .....**

Any Static Prepayment Premium or Yield Maintenance Charge collected in respect of any of the underlying mortgage loans in Loan Group 1 will be distributed to the holders of the class X-G1 certificates. Any Static Prepayment Premium or Yield Maintenance Charge collected in respect of any of the underlying mortgage loans in Loan Group 2 will be distributed to the holders of the class X-G2 certificates. See “Description of the Certificates—Distributions—Distributions of Static Prepayment Premiums and Yield Maintenance Charges” in this information circular. Pursuant to the Pooling and Servicing Agreement, certificateholders representing a majority, by outstanding notional amount, of the class X-G1 or X-G2 certificates, as applicable will have the right, in their sole discretion, to direct the master servicer or the special servicer, as applicable, to waive any obligation of the related borrower to pay a Yield Maintenance Charge or Static Prepayment Premium, as applicable, in connection with any prepayment of any underlying mortgage loan in the related Loan Group. See “Risk Factors—Risks Related to the Offered Certificates—The Underlying Mortgage Loans May Experience a Higher Than Expected Rate of Prepayment Due to the Right of a Majority of Holders of Class X-G1 or X-G2 Certificates to Cause the Waiver of Yield Maintenance Charges or Static Prepayment Premiums and Due to Limited Prepayment Protection” in this information circular.

**Reductions of Certificate Principal Balances in Connection with Losses and Expenses .....**

As and to the extent described under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this information circular, losses on, and default-related or other unanticipated issuing entity expenses attributable to, the underlying mortgage loans in Loan Group 1 will, in general, be allocated on each distribution date, after making distributions on such distribution date, to reduce the outstanding principal balance of the class A-G1 certificates, until the principal balance of such class has been reduced to zero. Any reduction of the outstanding principal balances of the class A-G1 certificates will result in a corresponding reduction in the notional amount of the class X-G1 certificates. Losses on, and default-related or other unanticipated issuing entity expenses attributable to, the underlying mortgage loans in Loan Group 2 will, in general, be allocated on each distribution date, after making distributions on such distribution date, to reduce the outstanding principal balance the class A-G2 certificates, until the principal balance of such class has been reduced to zero. Any reduction of the outstanding principal balances of the class A-G2 certificates will result

in a corresponding reduction in the notional amount of the class X-G2 certificates.

However, Freddie Mac will be required under its guarantee to pay the holder of any Principal Balance Certificate an amount equal to any such loss allocated to its Principal Balance Certificates as set forth in “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular.

**Advances of Delinquent Monthly  
Debt Service Payments .....**

Except as described below in this “—Advances of Delinquent Monthly Debt Service Payments” section, the master servicer will be required to make advances with respect to any delinquent scheduled monthly payments, other than certain payments (including balloon payments subject, if Freddie Mac is then acting as master servicer, to Freddie Mac’s obligation, pursuant to the Freddie Mac Guarantee, to make such payments in its capacity as Guarantor), of principal and/or interest due on the underlying mortgage loans. The master servicer will be required to make advances of assumed monthly payments for those underlying mortgage loans that become defaulted on their maturity dates on the same amortization schedule as if the maturity date had not occurred. In addition, the trustee must make any of those advances to the extent that the master servicer fails to make such advances, in each case subject to a nonrecoverability determination. As described under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, if the master servicer or the trustee, as applicable, makes an advance, it will be entitled to be reimbursed for the advance, together with interest at the Prime Rate.

However, neither the master servicer nor the trustee will advance master servicing fees, master servicer surveillance fees, special servicer surveillance fees or sub-servicing fees. Moreover, neither the master servicer nor the trustee will be required to make any advance that it or the special servicer determines will not be recoverable from proceeds of the related underlying mortgage loans. In addition, the trustee may conclusively rely on any determination of nonrecoverability made by the master servicer, and the master servicer and the trustee will be required to conclusively rely on any determination of nonrecoverability made by the special servicer.

See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

**Reports to Certificateholders.....**

On each distribution date, the certificate administrator will be required to provide or make available to any Privileged Person a monthly report substantially in the form of and containing the information substantially as required by Exhibit B. The certificate administrator’s report will be required to detail, among other things, the distributions made to the certificateholders on that distribution date and the performance of the underlying mortgage loans and the mortgaged real properties on a Loan Group-by-Loan Group basis. The certificate administrator will also be required to make available to any Privileged Person via its website initially located at [www.usbank.com/abs](http://www.usbank.com/abs), certain underlying mortgage loan information as presented in the standard CREFC Investor Reporting Package® in accordance with the Pooling and Servicing Agreement.

You may also review via the certificate administrator's website or, upon reasonable prior notice, at the master servicer's, the special servicer's, the certificate administrator's or the custodian's offices during normal business hours, a variety of information and documents that pertain to the underlying mortgage loans and the mortgaged real properties. Borrower operating statements, rent rolls and property inspection reports will be available at the office of the master servicer or the special servicer, as applicable, and may be available on the master servicer's website or the special servicer's website, as applicable. There are restrictions on the information that may be made available to you if you are a borrower or an affiliate of a borrower with respect to an underlying mortgage loan.

See "Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information" in this information circular.

**Deal Information/Analytics**..... Certain information concerning the underlying mortgage loans and the certificates may be available through the following services:

- BlackRock Financial Management, Inc., Bloomberg, L.P., Trepp, LLC, Moody's Analytics, Intex Solutions, Inc., CMBS.com and Thomson Reuters Corporation;
- the certificate administrator's website initially located at [www.usbank.com/abs](http://www.usbank.com/abs); and
- the master servicer's website initially located at [www.freddiemac.com](http://www.freddiemac.com).

**Sale of Defaulted Loans**..... If any underlying mortgage loan becomes a Defaulted Loan, then (subject to the rights of Freddie Mac and any related Junior Loan Holder, as described below) Freddie Mac will have an assignable option to purchase that underlying mortgage loan from the issuing entity at the price and on the terms described in "The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option" in this information circular. In addition, any Junior Loan Holder holding a subordinate lien on the related mortgaged real property will have the first option to purchase such underlying mortgage loan from the issuing entity; *provided* that if any such Junior Loan Holder elects to not exercise such option, then the holder of the next most subordinate Junior Loan (if any) will be entitled to exercise such right. Freddie Mac and any Junior Loan Holder may each assign their respective purchase options.

A Defaulted Loan in a Loan Group may be purchased in the manner described above while any other underlying mortgage loan in the related Loan Group remain in the issuing entity only if the special servicer modifies, upon such purchase, the related loan documents in a manner whereby such Defaulted Loan to be purchased, on the one hand, and any related underlying mortgage loan in the related Loan Group that remains in the issuing entity, on the other, would no longer be cross-collateralized or cross-defaulted with one another (and, in the event that more than one underlying mortgage loan in the related Loan Group remains in the issuing entity, all such related crossed loans that remain in the issuing entity will continue to be cross-collateralized and cross-defaulted with one another).

See “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans” in this information circular.

<b>Repurchase Obligation</b>	If the mortgage loan seller has been notified of, or itself has discovered, a defect in any mortgage file or a breach of any of its representations and warranties that materially and adversely affects the value of any underlying mortgage loan (including any foreclosure property acquired in respect of any foreclosed mortgage loan) or any interests of the holders of any class of certificates, then the mortgage loan seller will be required to either cure such breach or defect, repurchase the affected underlying mortgage loan from the issuing entity or, substitute the affected underlying mortgage loan with another mortgage loan. If the mortgage loan seller opts to repurchase any affected underlying mortgage loan, such repurchase would have the same effect on the related Loan Group Certificates as a prepayment in full of such underlying mortgage loan (without payment of any Static Prepayment Premium or Yield Maintenance Charge). See “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular.
<b>Optional Retirement</b>	Freddie Mac, any Third Party Special Servicer and any Third Party Master Servicer, in that order, will each in turn have the option to purchase all of the underlying mortgage loans and all other property remaining in the issuing entity with respect to the related Loan Group on any distribution date on which the total Stated Principal Balance of the underlying mortgage loans in the related Loan Group is less than 1.0% of the related initial Loan Group balance.  In the event that any party so entitled exercises this option, all outstanding certificates in the related Certificate Group will be retired, as described in more detail under “The Pooling and Servicing Agreement—Retirement” in this information circular.
	The retirement of either Certificate Group while the other Certificate Group remains outstanding will not retire the other Certificate Group. Upon the retirement of one Certificate Group, the Pooling and Servicing Agreement will remain in full force and effect with respect to the other Certificate Group until such other Certificate Group is retired in accordance with the terms of the Pooling and Servicing Agreement as described under “The Pooling and Servicing Agreement—Retirement” in this information circular.
<b>Denominations</b>	The offered certificates will be issuable in registered form, in the denominations set forth under “Description of the Certificates—Registration and Denominations” in this information circular.
<b>Physical Certificates</b>	Freddie Mac will hold the offered certificates in the form of fully registered physical certificates. Freddie Mac will include the offered certificates in pass-through pools that it will form for its series K-P04 structured pass-through certificates (the “ <u>SPCs</u> ”).

#### **Legal and Investment Considerations**

<b>Federal Income Tax Consequences</b>	The issuing entity will be classified as two separate grantor trusts for U.S. federal income tax purposes and not as a taxable mortgage pool, an association taxable as a corporation or a publicly traded partnership taxable as a corporation. The class A-G1 and X-G1 certificates will
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represent beneficial ownership interests in a grantor trust that will contain the underlying mortgage loans in Loan Group 1 and the proceeds thereof. The class A-G2 and X-G2 certificates will represent beneficial ownership interests in a grantor trust that will contain the underlying mortgage loans in Loan Group 2 and the proceeds thereof.

For a description of the tax opinions that our counsel will be issuing on the Closing Date and a more detailed discussion of the federal income tax aspects of investing in the certificates, see “Certain Federal Income Tax Consequences” in this information circular.

**Investment Considerations .....** The rate and timing of payments and other collections of principal on or with respect to the underlying mortgage loans will affect the yield to maturity on the related Loan Group Certificates.

If you purchase Principal Balance Certificates at a premium, then a faster than anticipated rate of payments and other collections of principal on the underlying mortgage loans in the related Loan Group could result in a lower than anticipated yield to maturity with respect to those certificates. Conversely, if you purchase Principal Balance Certificates at a discount, a slower than anticipated rate of payments and other collections of principal on the underlying mortgage loans in the related Loan Group could result in a lower than anticipated yield to maturity with respect to those certificates.

The yield to maturity of the Principal Balance Certificates will be adversely affected if the underlying mortgage loans with higher interest rates or, after the loan reset dates for the underlying mortgage loans in the related Loan Group, interest rate margins over LIBOR, as applicable, are subject to prepayment. This would have the effect of reducing the Net Mortgage Interest Rate of the underlying mortgage loans, which would result in the Principal Balance Certificates being more likely to be subject to the pass-through rate cap on those certificates. This would limit amounts payable as interest on the Principal Balance Certificates.

The yield to maturity on the Principal Balance Certificates will be highly sensitive to changes in the levels of LIBOR such that decreasing levels of LIBOR will have a negative effect on such certificateholders. In addition, prevailing market conditions may increase the margin above LIBOR at which comparable securities are being offered, which would cause the Principal Balance Certificates to decline in value.

If you are contemplating the purchase of a class X-G1 or X-G2 certificate, you should be aware that the yield to maturity on the class X-G1 and X-G2 certificates will be highly sensitive to the rate and timing of principal prepayments and liquidations on or with respect to the underlying mortgage loans. In addition, with respect to the class X-G1 and X-

G2 certificates, a faster than anticipated rate of payments and other collections of principal on the underlying mortgage loans could result in a lower than anticipated yield to maturity with respect to the class X-G1 and X-G2 certificates. Furthermore, with respect to an extremely rapid rate of amortization, prepayments and/or liquidations on or with respect to the underlying mortgage loans in the related Loan Group

could result in a substantial loss of your initial investment with respect to the class X-G1 and X-G2 certificates.

In addition,

- to the extent prevailing market interest rates or margins over LIBOR exceed the annual rate or margin over LIBOR at which an underlying mortgage loan accrues interest, the borrower may be less likely to voluntarily prepay that underlying mortgage loan, and
- a slower than anticipated rate of prepayments on the underlying mortgage loans in the related Loan Group could result in a lower than anticipated yield to maturity with respect to the class X-G1 or X-G2 certificates, respectively.

We have not engaged any nationally recognized statistical rating organization (“NRSRO”), as defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to rate any class of certificates. The absence of ratings may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, the certificates.

If your investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities, then you may be subject to restrictions on investment in the certificates. You should consult your own legal advisors for assistance in determining the suitability of and consequences to you of the purchase, ownership, and sale of the certificates.

**Credit Risk Retention.....** For information as to the compliance of this transaction with the FHFA’s Credit Risk Retention Rule (12 C.F.R. Part 1234), see “Description of the Mortgage Loan Seller and Guarantor—Credit Risk Retention” in this information circular.

### **The Underlying Mortgage Loans**

**General .....** We intend to include in the issuing entity 21 mortgage loans, which we refer to in this information circular as the “underlying mortgage loans” and which are secured by the 21 mortgaged real properties identified on Exhibit A-1. Each underlying mortgage loan is secured by a mortgaged real property that consists of a single parcel or two or more contiguous or non-contiguous parcels, and we refer to such parcel or parcels collectively as a “mortgaged real property” securing such underlying mortgage loan. In this section, “—The Underlying Mortgage Loans,” we provide summary information with respect to the underlying mortgage loans. The pool of underlying mortgage loans will consist of two uncrossed loan groups, Loan Group 1 and Loan Group 2. The underlying mortgage loans in Loan Group 1 were originated on June 29, 2009, have initial terms to maturity of 120 months and will back the Loan Group 1 Certificates. The underlying mortgage loans in Loan Group 2 were originated on March 10, 2008, had initial terms to maturity of 126 months and will back the Loan Group 2 Certificates. Exhibit A-1 sets forth the underlying mortgage loans in each Loan Group. For more detailed information regarding the underlying mortgage loans, you should review the following sections in this information circular:

- “Risk Factors—Risks Related to the Underlying Mortgage Loans”;
- “Description of the Underlying Mortgage Loans”;
- Exhibit A-1—Certain Characteristics of the Underlying Mortgage Loans and the Related Mortgaged Real Properties;
- Exhibit A-2—Certain Mortgage Pool Information; and
- Exhibit A-3—Description of the Loan Groups.

When reviewing the information that we have included in this information circular with respect to the underlying mortgage loans in each Loan Group, please note that—

- All numerical information provided with respect to the underlying mortgage loans is provided on an approximate basis.
- Unless otherwise noted, with respect to any underlying mortgage loan, any property value presented in this information circular or the related exhibits is presented based on the mortgaged real property’s “Appraised Value,” which is the “as is” value estimate reflected in the appraisal obtained by or otherwise in the possession of the mortgage loan seller at the time of origination (“Appraised Value”). Statistical and numerical information presented in this information circular and the related exhibits which has been calculated based on property value, such as any loan-to-value ratio, is also calculated on the basis of Appraised Value, unless otherwise noted.
- All weighted average information provided with respect to the underlying mortgage loans reflects a weighting based on their respective Cut-off Date Principal Balances. We will transfer the underlying mortgage loans with their respective Cut-off Date Principal Balances to the issuing entity. We show the Cut-off Date Principal Balance for each of the underlying mortgage loans on Exhibit A-1.
- In calculating the respective Cut-off Date Principal Balances of the underlying mortgage loans, we have assumed that—
  1. all scheduled payments of principal and/or interest due on the underlying mortgage loans on or before their respective due dates in November 2017 are timely made; and
  2. there are no prepayments or other unscheduled collections of principal with respect to any of the underlying mortgage loans during the period from its due date in October 2017 up to and including November 1, 2017.
- Whenever we refer to the initial Loan Group 1 balance in this information circular, we are referring to the total Cut-off Date Principal Balance of Loan Group 1.
- Whenever we refer to the initial Loan Group 2 balance in this information circular, we are referring to the total Cut-off Date Principal Balance of Loan Group 2.

- Whenever we refer to the initial mortgage pool balance in this information circular, we are referring to the total Cut-off Date Principal Balance of the entire mortgage pool (*i.e.*, both Loan Groups).
- Each Loan Group is made up of underlying mortgage loans that are cross-collateralized and cross-defaulted with each other underlying mortgage loan in such Loan Group but not with any of the underlying mortgage loans in the other Loan Group. Unless otherwise indicated, we present the information regarding the underlying mortgage loans in each Loan Group as separate loans. However, each underlying mortgage loan in either Loan Group is treated as having the Cut-off Date Loan-to-Value Ratio, the Maturity Loan-to-Value Ratio, the Cut-off Date Balance/Unit and the historical and Underwritten Debt Service Coverage Ratios of such Loan Group. No underlying mortgage loan is cross-collateralized and cross-defaulted with mortgage loans that are not the issuing entity.
- When information with respect to mortgaged real properties is expressed as a percentage of the initial Loan Group 1 balance or initial Loan Group 2 balance, as applicable, the percentages are based on the Cut-off Date Principal Balances of the related underlying mortgage loans in the applicable Loan Group.
- If an underlying mortgage loan is secured by a mortgaged real property consisting of multiple parcels of real property, we treat those parcels as a single mortgaged real property.
- Whenever we refer to a particular mortgaged real property by name, we mean the mortgaged real property identified by that name on Exhibit A-1. Whenever we refer to a particular underlying mortgage loan by name, we mean the underlying mortgage loan secured by the mortgaged real property identified by that name on Exhibit A-1.
- Statistical information regarding the underlying mortgage loans may change prior to the Closing Date due to changes in the composition of the mortgage pool prior to that date.

**Source of the Underlying**

**Mortgage Loans .....**

We did not originate the underlying mortgage loans. We will acquire the underlying mortgage loans from Freddie Mac, the mortgage loan seller, pursuant to a mortgage loan purchase agreement dated as of the Cut-off Date. Each underlying mortgage loan was originated by an Originator, and was acquired by Freddie Mac.

For a description of the underwriting criteria utilized in connection with the origination or acquisition of each of the underlying mortgage loans, see “Description of the Underlying Mortgage Loans—Underwriting Matters” in this information circular.

**Payment and Other Terms .....**

Each of the underlying mortgage loans is the obligation of a borrower to repay a specified sum with interest.

Each underlying mortgage loan currently accrues interest on an 30/360 Basis at the annual rate specified with respect to that underlying mortgage loan and will accrue interest on an Actual/360 Basis after the

first related reset date for such underlying mortgage loan, each as set forth on Exhibit A-1. Each underlying mortgage loan has a mortgage interest rate in the absence of default that is fixed for an initial period that expires 120 months following the origination date of such underlying mortgage loan in Loan Group 1 and 126 months following the origination date of such underlying mortgage loan in Loan Group 2, and thereafter so long as no event of default has occurred, the maturity date for each underlying mortgage loan will automatically be extended for 12 months, during which term, the interest rate is adjustable on monthly loan reset dates for such underlying mortgage loan (a “Hybrid ARM” underlying mortgage loan).

With respect to each Hybrid ARM underlying mortgage loan, beginning with the first loan reset date, the mortgage interest rate will reset based on LIBOR. Before each loan reset date, the lender will be required to calculate the new mortgage interest rate by adding a margin of 2.400% (in the case of underlying mortgage loans in Loan Group 2) or 3.000% (in the case of underlying mortgage loans in Loan Group 1) to LIBOR as set forth on Exhibit A-1, which amount will be the mortgage interest rate until the next loan reset date.

Repayment of each of the underlying mortgage loans is secured by a mortgage lien on the fee interest of the related borrower in each mortgaged real property. See “Description of the Underlying Mortgage Loans—General” and “—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt” in this information circular.

Except with respect to certain limited nonrecourse carveouts, each of the underlying mortgage loans is nonrecourse to the borrower. Although the offered certificates will be guaranteed by Freddie Mac pursuant to the Freddie Mac Guarantee, none of the underlying mortgage loans is insured or guaranteed by any governmental agency or instrumentality or by any private mortgage insurer.

Each of the underlying mortgage loans currently accrues interest at the annual rate specified with respect to that underlying mortgage loan on Exhibit A-1.

**Balloon Loans.....**

All of the underlying mortgage loans are Balloon Loans. An underlying mortgage loan is considered to be a “Balloon Loan” if its principal balance is not scheduled to be fully amortized by the underlying mortgage loan’s scheduled maturity date and thus requires a payment at such scheduled maturity date larger than the regular monthly debt service payment due on such underlying mortgage loan.

**Underlying Mortgage Loans  
with Interest-Only Periods.....**

None of the underlying mortgage loans provide for amortization prior to the related scheduled maturity date.

**Crossed Mortgage Loans and  
Underlying Mortgage Loans  
Made to Borrowers Under  
Common Ownership.....**

The underlying mortgage loans in each Loan Group are cross-collateralized and cross-defaulted with each other underlying mortgage loan in such Loan Group. In addition, all of the underlying mortgage loans (in both Loan Groups) were made to borrowers that are under common ownership.

The underlying mortgage loans in each Loan Group are cross-collateralized and cross-defaulted with each other underlying mortgage loan in such Loan Group. In addition, pursuant to the Pooling and Servicing Agreement and the mortgage loan purchase agreement, the underlying mortgage loans in each Loan Group may be released from the cross-collateralization and cross-default provisions under certain circumstances (including repurchases due to breaches of the representations and warranties described on Exhibit C-1), subject to certain restrictions. No underlying mortgage loan is cross-collateralized or cross-defaulted with mortgage loans that are not in the issuing entity.

See “Risk Factors—Risks Related to the Underlying Mortgage Loans—Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of These Provisions May Otherwise Be Limited,” “—Risks Related to the Underlying Mortgage Loans—Underlying Mortgage Loans to the Same Borrower or Borrowers Under Common Ownership May Result in More Severe Losses on the Offered Certificates,” “Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Underlying Mortgage Loans with Borrowers Under Common Ownership” and “—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions” in this information circular.

**Prepayment Characteristics  
of the Mortgage Loans .....**

All of the underlying mortgage loans restrict prepayments by requiring that any voluntary principal prepayments made during a specified period of time be accompanied by the greater of a Static Prepayment Premium and a Yield Maintenance Charge, followed by an open prepayment period prior to maturity during which voluntary principal prepayments may be made without payment of any prepayment consideration.

The purchase of any underlying mortgage loan by any party that has an option or is otherwise entitled to purchase such underlying mortgage loan from the issuing entity following default (or, with respect to the mortgage loan seller, is required to purchase such underlying mortgage loan as a result of an uncured material breach of a representation and warranty or a material document defect) generally would have the same effect on the offered certificates as a prepayment (without payment of any Static Prepayment Premium or Yield Maintenance Charge).

In general, the underlying mortgage loans that provide for a Yield Maintenance Charge also provide that such Yield Maintenance Charge will not be less than a fixed percentage of the amount prepaid. See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions” in this information circular.

**Delinquency Status .....**

None of the underlying mortgage loans was 30 days or more delinquent with respect to any monthly debt service payment as of November 1, 2017.

**Geographic Concentration**..... Mortgaged real properties that secure the underlying mortgage loans in Loan Group 1 and Loan Group 2 are located in each of the states listed in the tables below.

The table below shows the number of, and percentage of the initial Loan Group 1 balance secured by, mortgaged real properties located in these states:

State	Number of Mortgaged Real Properties	% of Initial Loan Group Balance
California.....	7	56.6%
Virginia.....	2	28.4
Washington.....	1	10.0
Massachusetts .....	1	5.0
<b>Total:.....</b>	<b>11</b>	<b>100.0%</b>

5 California properties, securing underlying mortgage loans collectively representing 39.2% of the initial Loan Group 1 balance, are located in southern California (i.e., addresses with zip codes of 93600 or below). 2 California properties, securing underlying mortgage loans in Loan Group 1, collectively representing 17.4% of the initial Loan Group 1 balance, are located in northern California (i.e., addresses with zip codes of 93601 or above).

The table below shows the number of, and percentage of the initial Loan Group 2 balance secured by, mortgaged real properties located in these states:

State	Number of Mortgaged Real Properties	% of Initial Loan Group Balance
California.....	6	64.1%
Massachusetts .....	1	14.2
Virginia.....	1	12.1
Washington.....	2	9.7
<b>Total:.....</b>	<b>10</b>	<b>100.0%</b>

All of California properties, securing underlying mortgage loans in Loan Group 2 are located in southern California (i.e., addresses with zip codes of 93600 or below).

See “Description of the Underlying Mortgage Loans—Certain Legal Aspects of the Underlying Mortgage Loans” in this information circular for a discussion of certain legal aspects related to states in which mortgaged real properties that secure underlying mortgage loans collectively representing 10% or more of the related initial Loan Group balance are located, and see Exhibit A-2 for additional information on the geographic distribution of the mortgaged real properties.

**Property Type**..... All of the mortgaged real properties are multifamily properties, including. See “Risk Factors” in this information circular for a description of some of the risks relating to multifamily properties.

**Encumbered Interests**..... All of the underlying mortgage loans encumber the fee interest of the borrower in the related mortgaged real property. As of the date of this information circular, no mortgaged real properties are currently encumbered with a subordinate lien except for limited permitted

encumbrances (which limited permitted encumbrances do not secure subordinate mortgage loans).

See “Risk Factors—Risks Related to the Underlying Mortgage Loans—Subordinate Financing Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan,” “—A Borrower’s Other Loans May Reduce the Cash Flow Available to Operate and Maintain the Related Mortgaged Real Property or May Interfere with the Issuing Entity’s Rights Under the Related Underlying Mortgage Loan, Thereby Adversely Affecting Distributions on the Offered Certificates,” “Description of the Underlying Mortgage Loans—General” and “—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt” in this information circular.

**Significant Underlying  
Mortgage Loans.....**

Each of the underlying mortgage loans is part of one of the Loan Groups. See “Risk Factors—Risks Related to the Underlying Mortgage Loans—Losses on Larger Loans May Adversely Affect Distributions on the Certificates” and “Description of the Underlying Mortgage Loans” in this information circular and Exhibit A-1, A-2 and A-3 to this information circular.

### **Additional Statistical Information**

**General Characteristics.....** The underlying mortgage loans in Loan Group 1 that we intend to include in the issuing entity will have the following general characteristics as of November 1, 2017:

	<b>Loan Group 1</b>
Initial Loan Group 1 balance <sup>(1)</sup> .....	\$500,000,000
Number of underlying mortgage loans.....	11
Number of mortgaged real properties.....	11
Largest Cut-off Date Principal Balance.....	\$84,778,876
Smallest Cut-off Date Principal Balance.....	\$17,858,854
Average Cut-off Date Principal Balance .....	\$45,454,545
Fixed mortgage interest rate .....	5.780%
Floating rate margin .....	3.000%
Index .....	LIBOR
Months to initial loan reset date .....	120
Original term to maturity <sup>(2)</sup> .....	132
Remaining term to maturity <sup>(2)</sup> .....	32
Underwritten Debt Service Coverage Ratio (at origination) <sup>(3)</sup> .....	1.79x
Debt service coverage ratio <sup>(4)</sup> .....	2.46x
Cut-off Date LTV.....	60.9%

(1) Subject to a variance of plus or minus 5%.

(2) Calculated based on all extension options being exercised with respect to the underlying mortgage loans.

(3) Calculated based on net cash flow reported at origination. See “Glossary —Underwritten Debt Service Coverage Ratio” in this information circular.

(4) Calculated based on the most recently reported net cash flow.

The underlying mortgage loans in Loan Group 2 that we intend to include in the issuing entity will have the following general characteristics as of November 1, 2017:

	<b>Loan Group 2</b>
Initial Loan Group 2 balance <sup>(1)</sup> .....	\$500,000,000
Number of underlying mortgage loans.....	10
Number of mortgaged real properties.....	10
Largest Cut-off Date Principal Balance.....	\$98,092,566
Smallest Cut-off Date Principal Balance .....	\$22,641,387
Average Cut-off Date Principal Balance .....	\$50,000,000
Fixed mortgage interest rate .....	5.190%
Floating rate margin .....	2.400%
Index .....	LIBOR
Months to initial loan reset date .....	126
Original term to maturity <sup>(2)</sup> .....	138
Remaining term to maturity <sup>(2)</sup> .....	23
Underwritten Debt Service Coverage Ratio (at origination) <sup>(3)</sup> .....	1.29x
Debt service coverage ratio <sup>(4)</sup> .....	1.76x
Cut-off Date LTV.....	71.4%

(1) Subject to a variance of plus or minus 5%.

(2) Calculated based on all extension options being exercised with respect to the underlying mortgage loans.

(3) Calculated based on net cash flow reported at origination. See “Glossary —Underwritten Debt Service Coverage Ratio” in this information circular.

(4) Calculated based on the most recently reported net cash flow.

In reviewing this table, please note that the Underwritten Net Cash Flow for any mortgaged real property (which is the basis for the Underwritten Debt Service Coverage Ratio for the related underlying mortgage loan) is an estimated number based on numerous assumptions that may not necessarily reflect recent historical performance and may not ultimately prove to be an accurate prediction of future performance.

The information presented in the table above with respect to each Loan Group treats each cross-collateralized and cross-defaulted underlying mortgage loan in such Loan Group as a separate loan. However, each underlying mortgage loan in each Loan Group is treated as having the Cut-off Date Loan-to-Value Ratio, the Maturity Loan-to-Value Ratio, the Cut-off Date Balance/Unit and the historical and Underwritten Debt Service Coverage Ratios of such Loan Group as a whole. No underlying mortgage loan is cross-collateralized and cross-defaulted with mortgage loans that are not the issuing entity.

## RISK FACTORS

The risks and uncertainties described below summarize the material risks in connection with the purchase of the offered certificates. All numerical information concerning the underlying mortgage loans is provided on an approximate basis.

### **The Certificates May Not Be a Suitable Investment for You**

The certificates are not suitable investments for all investors. In particular, you should not purchase any class of certificates unless you understand and are able to bear the prepayment, credit, liquidity and market risks associated with that class of certificates. For those reasons and for the reasons set forth in these "Risk Factors," the yield to maturity and the aggregate amount and timing of distributions on the certificates are subject to material variability from period to period and give rise to the potential for significant loss over the life of the certificates to the extent the Guarantor does not make Guarantor Payments on the offered certificates. The interaction of these factors and their effects are impossible to predict and are likely to change from time to time. As a result, an investment in the certificates involves substantial risks and uncertainties and should be considered only by sophisticated institutional investors with substantial investment experience with similar types of securities.

### **Combination or "Layering" of Multiple Risks May Significantly Increase Risk of Loss**

Although the various risks discussed in this information circular are generally described separately, you should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor in the certificates may be significantly increased.

### **Risks Related to the Underlying Mortgage Loans**

***The Underlying Mortgage Loans Are Nonrecourse.*** Except for certain limited nonrecourse carveouts, each of the underlying mortgage loans is a nonrecourse obligation of the related borrower. This means that, in the event of a default, recourse will generally be limited to the related mortgaged real property or properties securing the Defaulted Loan and other assets that have been pledged to secure that underlying mortgage loan. Consequently, full and timely payment on each underlying mortgage loan will depend on one or more of the following:

- the sufficiency of the net operating income of the applicable mortgaged real property to pay debt service;
- the market value of the applicable mortgaged real property at or prior to maturity; and
- the ability of the related borrower to refinance or sell the applicable mortgaged real property at maturity.

In general, the value of any multifamily property will depend on its ability to generate net operating income. The ability of an owner to finance a multifamily property will depend, in large part, on the mortgaged real property's value and ability to generate net operating income.

None of the underlying mortgage loans will be insured or guaranteed by any governmental entity or private mortgage insurer.

***Repayment of Each of the Underlying Mortgage Loans Will Be Dependent on the Cash Flow Produced by the Related Mortgaged Real Property, Which Can Be Volatile and Insufficient to Allow Timely Distributions on the Offered Certificates, and on the Value of the Related Mortgaged Real Property, Which May Fluctuate Over Time.*** Repayment of loans secured by multifamily rental properties typically depends on the cash flow produced by those properties. The ratio of net cash flow to debt service of an underlying mortgage loan secured by an income-producing property is an important measure of the risk of default on the loan.

Payment on each underlying mortgage loan may also depend on:

- the ability of the related borrower to sell the related mortgaged real property or refinance the underlying mortgage loan, at scheduled maturity, in an amount sufficient to repay the underlying mortgage loan; and/or

- in the event of a default under the underlying mortgage loan and a subsequent sale of the related mortgaged real property on the acceleration of such underlying mortgage loan's maturity, the amount of the sale proceeds, taking into account any adverse effect of a foreclosure proceeding on those sale proceeds.

In general, if an underlying mortgage loan has a relatively high loan-to-value ratio or a relatively low debt service coverage ratio, a foreclosure sale is more likely to result in proceeds insufficient to satisfy the outstanding debt.

The cash flows from the operation of multifamily real properties are volatile and may be insufficient to cover debt service on the related underlying mortgage loan and pay operating expenses at any given time. This may cause the value of a property to decline. Cash flows and property values generally affect:

- the ability to cover debt service;
- the ability to pay an underlying mortgage loan in full with sales or refinance proceeds; and
- the amount of proceeds recovered on foreclosure.

Cash flows and property values depend on a number of factors, including:

- national, regional and local economic conditions, including plant closings, military base closings, economic and industry slowdowns and unemployment rates;
- local real estate conditions, such as an oversupply of units similar to the units at the related mortgaged real property;
- increases in vacancy rates;
- changes or continued weakness in a specific industry segment that is important to the success of the related mortgaged real property;
- increases in operating expenses at the mortgaged real property and in relation to competing properties;
- the nature of income from the related mortgaged real property, such as whether rents are subject to rent control or rent stabilization laws;
- a decline in rental rates as leases are renewed or entered into with new tenants;
- whether rental rates are less than the average market rental rates for the area and are not offset by low operating expenses;
- the level of required capital expenditures for proper maintenance, renovations and improvements demanded by tenants or required by law at the related mortgaged real property;
- creditworthiness of tenants, a decline in the financial condition of tenants or tenant defaults;
- the number of tenants at the related mortgaged real property and the duration of their respective leases;
- dependence on a concentration of tenants working for a particular business or industry;
- demographic factors;
- retroactive changes in building or similar codes that require modifications to the related mortgaged real property;
- capable management and adequate maintenance for the related mortgaged real property;
- location of the related mortgaged real property;
- proximity and attractiveness of competing properties;
- whether the mortgaged real property has uses subject to significant regulation;
- the rate at which new rentals occur;

- perceptions by prospective tenants of the safety, convenience, services and attractiveness of the related mortgaged real property;
- the age, construction, quality and design of the related mortgaged real property; and
- whether the related mortgaged real property is readily convertible to alternative uses.

**Criminal Activity May Adversely Affect Property Performance.** Certain of the underlying mortgage loans are secured by mortgaged real properties that may have been, or may be, the site of criminal activities. Perceptions by prospective tenants of the safety and reputation of any such mortgaged real property may influence the cash flow produced by such mortgaged real property. In addition, in connection with any criminal activities that occur at a related mortgaged real property, litigation may be brought against a borrower or political or social conditions may result in civil disturbances.

**Forfeiture (Including for Drug, RICO and Money Laundering Violations) May Present Risks.** Federal law provides that property purchased or improved with assets derived from criminal activity or otherwise tainted, or used in the commission of certain offenses, can be seized and ordered forfeited to the United States. A number of offenses can trigger such a seizure and forfeiture including, among others, violations of the Racketeer Influenced and Corrupt Organizations Act, the Bank Secrecy Act, the Money Laundering Control Act, the USA PATRIOT Act and the regulations issued pursuant to all of them, as well as the controlled substance laws. In many instances, the United States may seize the property civilly, without a criminal prosecution.

In the event of a forfeiture proceeding, a financial institution that is a lender of funds may be able to establish its interest in the property by proving that (i) its mortgage was executed and recorded before the commission of the illegal conduct from which the assets used to purchase or improve the property were derived or before the commission of any other crime upon which the forfeiture is based, or (ii) at the time of the execution of the mortgage, despite appropriate due diligence, it “did not know or was reasonably without cause to believe that the property was subject to forfeiture.” However, we cannot assure you that such a defense will be successful.

**Borrowers May Be Unable to Make Balloon Payments.** All of the underlying mortgage loans are Balloon Loans. Balloon Loans have amortization schedules that are significantly longer than their respective terms, and many Balloon Loans require only payments of interest for part or all of their respective terms. See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Additional Amortization Considerations” in this information circular. A longer amortization schedule or an interest-only provision in an underlying mortgage loan will result in a higher amount of principal outstanding on the underlying mortgage loan at any particular time, including at the maturity date of the underlying mortgage loan, than would have otherwise been the case had a shorter amortization schedule been used or had the underlying mortgage loan had a shorter interest-only period or not included an interest-only period at all. That higher principal amount outstanding could both (i) make it more difficult for the related borrower to make the required balloon payment at maturity and (ii) lead to increased losses for the issuing entity either during the loan term or at maturity if the underlying mortgage loan becomes a Defaulted Loan. The borrower under a mortgage loan of these types is required to make a substantial payment of principal and interest, which is commonly called a balloon payment, on the maturity date of the loan. The ability of the borrower to make a balloon payment depends on the borrower’s ability to refinance or sell the mortgaged real property securing the loan. The ability of the borrower to refinance or sell the mortgaged real property will be affected by a number of factors, including—

- the fair market value and condition of the mortgaged real property;
- the level of interest rates;
- the borrower’s equity in the mortgaged real property;
- the borrower’s financial condition;
- the operating history of the mortgaged real property;
- changes in zoning and tax laws;
- changes in competition in the relevant area;
- changes in rental rates in the relevant area;

- changes in governmental regulation and fiscal policy;
- prevailing general and regional economic conditions;
- the state of the fixed income and mortgage markets;
- the availability of credit for mortgage loans secured by multifamily rental properties; and
- the requirements (including loan-to-value ratios and debt service coverage ratios) of lenders for mortgage loans secured by multifamily rental properties.

Neither we nor any of our affiliates, the mortgage loan seller or any of the Originators will be obligated to refinance any underlying mortgage loan.

In addition, compliance with legal requirements, such as the credit risk retention regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), could cause commercial real estate lenders to tighten their lending standards and reduce the availability of debt financing for commercial real estate borrowers. This, in turn, may adversely affect the borrowers’ ability to refinance the underlying mortgage loan or sell the mortgaged real property on the maturity date. We cannot assure you that each borrower under a Balloon Loan will have the ability to repay the outstanding principal balance of such underlying mortgage loan on the related maturity date.

The master servicer or the special servicer may, within prescribed limits, extend and modify underlying mortgage loans that are in default or as to which a payment default is reasonably foreseeable in order to maximize recoveries on such underlying mortgage loans. The master servicer or the special servicer is only required to determine that any extension or modification is reasonably likely to produce a greater recovery than a liquidation of the real property securing the Defaulted Loan. There is a risk that the decision of the master servicer or the special servicer to extend or modify an underlying mortgage loan may not in fact produce a greater recovery. See “—Modifications of the Underlying Mortgage Loans” below.

***Modifications of the Underlying Mortgage Loans.*** If any underlying mortgage loans become delinquent or are in default, the special servicer will be required to work with the related borrowers to maximize collections on such underlying mortgage loans. This may include modifying the terms of such underlying mortgage loans that are in default or whose default is reasonably foreseeable. At each step in the process of trying to bring a Defaulted Loan current or in maximizing proceeds to the issuing entity, the special servicer will be required to invest time and resources not otherwise required for the master servicer to collect payments on performing underlying mortgage loans. Modifications of underlying mortgage loans implemented by the special servicer in order to maximize the ultimate proceeds of such underlying mortgage loans may have the effect of, among other things, reducing or otherwise changing the mortgage rate, forgiving or forbearing on payments of principal, interest or other amounts owed under the underlying mortgage loan, extending the final maturity date of the underlying mortgage loan, capitalizing or deferring delinquent interest and other amounts owed under the underlying mortgage loan, forbearing payment of a portion of the principal balance of the underlying mortgage loan or any combination of these or other modifications. Any modified underlying mortgage loan may remain in the issuing entity, and the modification may result in a reduction in the funds received with respect to such underlying mortgage loan.

***Multifamily Lending Subjects Your Investment to Special Risks that Are Not Associated with Single-Family Residential Lending.*** The underlying mortgage loans are secured by multifamily income-producing properties.

Multifamily lending is generally thought to be riskier than single-family residential lending because, among other things, larger loans are made to the same borrower or borrowers under common ownership.

Further, the risks associated with lending on multifamily properties are inherently different from those associated with lending on the security of single-family residential properties. For example, repayment of each of the underlying mortgage loans will be dependent on the performance and/or value of the related mortgaged real property.

There are additional factors in connection with multifamily lending, not present in connection with single-family residential lending, which could adversely affect the economic performance of the respective mortgaged real properties that secure the underlying mortgage loans. Any one of these additional factors, discussed

in more detail in this information circular, could result in a reduction in the level of cash flow from those mortgaged real properties that is required to ensure timely distributions on the offered certificates.

***The Source of Repayment on the Offered Certificates Will Be Limited to Payments and Other Collections on the Underlying Mortgage Loans.*** The offered certificates will represent interests solely in the issuing entity. The primary assets of the issuing entity will be a segregated pool of multifamily mortgage loans. Accordingly, repayment of the offered certificates will be limited to payments and other collections on the underlying mortgage loans in the related Loan Group, subject to the Freddie Mac Guarantee.

However, the underlying mortgage loans will not be an obligation of, or be insured or guaranteed by:

- any governmental entity;
- any private mortgage insurer;
- the depositor;
- Freddie Mac;
- any Third Party Master Servicer;
- any Third Party Special Servicer;
- any sub-servicer of the master servicer or the special servicer;
- the trustee;
- the certificate administrator;
- the custodian; or
- any of their or our respective affiliates.

***All of the Underlying Mortgage Loans Are Secured by Multifamily Rental Properties, Thereby Materially Exposing Offered Certificateholders to Risks Associated with the Performance of Multifamily Rental Properties.*** All of the mortgaged real properties are primarily used for multifamily rental purposes. A number of factors may adversely affect the value and successful operation of a multifamily rental property. Some of these factors include:

- the number of competing residential developments in the local market, including apartment buildings and site-built single family homes;
- the physical condition and amenities, including access to transportation, of the subject property in relation to competing properties;
- the subject property's reputation;
- applicable state and local regulations designed to protect tenants in connection with evictions and rent increases, including rent control and rent stabilization regulations;
- the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or personnel from a local military base;
- restrictions on the age of tenants who may reside at the subject property;
- local factory or other large employer closings;
- the location of the mortgaged real property, for example, a change in the neighborhood over time;
- the level of mortgage interest rates to the extent it encourages tenants to purchase housing;
- the ability of the management team to effectively manage the subject property;
- the ability of the management team to provide adequate maintenance and insurance;

- compliance and continuance of any government housing rental subsidy programs from which the subject property receives benefits and whether such subsidies or vouchers may be used at other properties;
- distance from employment centers and shopping areas;
- adverse local or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payment or a reduction in occupancy level;
- the financial condition of the owner of the subject property; and
- government agency rights to approve the conveyance of such mortgaged real properties could potentially interfere with the foreclosure or execution of a deed-in-lieu of foreclosure of such properties.

Because units in a multifamily rental property are primarily leased to individuals, usually for no more than a year, the ability of the mortgaged real property to generate net operating income is likely to change relatively quickly where a downturn in the local economy or the closing of a major employer in the area occurs.

We cannot assure you that these circumstances will not adversely impact operations at or the value of the mortgaged real properties.

Particular factors that may adversely affect the ability of a multifamily property to generate net operating income include—

- an increase in interest rates, real estate taxes and other operating expenses;
- an increase in the capital expenditures needed to maintain the mortgaged real property or make renovations or improvements;
- an increase in vacancy rates;
- a decline in rental rates as leases are renewed or replaced; and
- natural disasters and civil disturbances such as earthquakes, hurricanes, floods, eruptions or riots.

The volatility of net operating income generated by a multifamily property over time will be influenced by many of these factors, as well as by—

- the length of tenant leases;
- the creditworthiness of tenants;
- the rental rates at which leases are renewed or replaced;
- the percentage of total property expenses in relation to revenue;
- the ratio of fixed operating expenses to those that vary with revenues; and
- the level of capital expenditures required to maintain the mortgaged real property and to maintain or replace tenants.

Therefore, multifamily properties with short-term or less creditworthy sources of revenue and/or relatively high operating costs can be expected to have more volatile cash flows than multifamily properties with medium- to long-term leases from creditworthy tenants and/or relatively low operating costs. A decline in the real estate market will tend to have a more immediate effect on the net operating income of multifamily properties with short-term revenue sources and may lead to higher rates of delinquency or defaults on the underlying mortgage loans secured by those properties.

In addition, some states regulate the relationship of an owner and its tenants at a multifamily rental property. Among other things, these states may—

- require written leases;
- require good cause for eviction;

- require disclosure of fees;
- prohibit unreasonable rules;
- prohibit retaliatory evictions;
- prohibit restrictions on a resident's choice of unit vendors;
- limit the bases on which a landlord may increase rent; or
- prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner's building.

Apartment building owners have been the subject of lawsuits under state "Unfair and Deceptive Practices Acts" and other general consumer protection statutes for coercive, abusive or unconscionable leasing and sales practices.

Some counties and municipalities also impose rent control regulations on apartment buildings. These regulations may limit rent increases to—

- fixed percentages;
- percentages of increases in the consumer price index;
- increases set or approved by a governmental agency; or
- increases determined through mediation or binding arbitration.

In many cases, the rent control laws do not provide for decontrol of rental rates on vacancy of individual units. Any limitations on a landlord's ability to raise rents at a multifamily rental property may impair the landlord's ability to repay an underlying mortgage loan secured by the mortgaged real property or to meet operating costs.

We cannot assure you that rent stabilization laws or regulations will not cause a reduction in rental income. If rents are reduced, we cannot assure you that such mortgaged real property will be able to generate sufficient cash flow to satisfy debt service payments and operating expenses.

In addition, multifamily rental properties are part of a market that, in general, is characterized by low barriers to entry. Thus, a particular multifamily rental property market with historically low vacancies could experience substantial new construction and a resultant oversupply of rental units within a relatively short period of time. Because units in a multifamily rental property are typically leased on a short-term basis, the tenants residing at a particular property may easily move to alternative multifamily rental properties with more desirable amenities or locations or to single family housing.

Certain of the multifamily rental properties that secure the underlying mortgage loans may be subject to certain restrictions imposed pursuant to restrictive covenants, reciprocal easement agreements and operating agreements or historical landmark designations. Such use restrictions could include, for example, limitations on the use of the properties, the character of improvements on the properties, the borrowers' right to operate certain types of facilities within a prescribed radius of the properties and limitations affecting noise and parking requirements, among other things. In addition, certain of the multifamily rental properties that secure the underlying mortgage loans may have access to certain amenities and facilities at other local properties pursuant to shared use agreements, and we cannot assure you that such use agreements will remain in place indefinitely, or that any amenities and facilities at other properties will remain available to the tenants of any multifamily rental property securing an underlying mortgage loan. These limitations could adversely affect the ability of the related borrower to lease the mortgaged real property on favorable terms, thus adversely affecting the borrower's ability to fulfill its obligations under the related underlying mortgage loan.

Some of the multifamily rental properties that secure the underlying mortgage loans may be subject to land use restrictive covenants or contractual covenants in favor of federal or state housing agencies. The obligations of the related borrowers to comply with such restrictive covenants and contractual covenants, in most cases, constitute encumbrances on the related mortgaged real property that are superior to the lien of the related underlying mortgage loan. In circumstances where the mortgaged real property is encumbered by a regulatory agreement in favor of a federal or state housing agency, the borrower is generally required by the loan documents to comply with any such

regulatory agreement. The covenants in a regulatory agreement may require, among other things, that a minimum number or percentage of units be rented to tenants who have incomes that are substantially lower than median incomes in the applicable area or region or impose restrictions on the type of tenants who may rent units, such as imposing minimum age restrictions. These covenants may limit the potential rental rates that may govern rentals at any of those properties, the potential tenant base for any of those properties or both. An owner may subject a multifamily rental property to these covenants in exchange for tax credits or rent subsidies. When the credits or subsidies cease, net operating income will decline. We cannot assure you that these requirements will not cause a reduction in rental income. If rents are reduced, we cannot assure you that the related property will be able to generate sufficient cash flow to satisfy debt service payments and operating expenses.

In addition, restrictive covenants and contractual covenants contained in regulatory agreements may require a borrower, among other conditions, (i) to submit periodic compliance reports and/or permit regulatory authorities to conduct periodic inspections of the related mortgaged real property, (ii) to meet certain requirements as to the condition of affordable units or (iii) to seek the consent of a regulatory authority in connection with the transfer or sale of the mortgaged real property or in connection with a change in the property management. In some cases, regulatory agreements may provide for remedies other than specific performance of restrictive covenants. Such other remedies may include, but are not limited to, providing for the ability of a regulatory authority to replace the property manager. In addition, in some cases, regulatory agreements may impose restrictions on transfers of the mortgaged real property in connection with a foreclosure, including, but not limited to, requiring regulatory authority consent and limiting the type of entities that are permissible transferees of the mortgaged real property. We cannot assure you that these circumstances will not adversely impact operations at or the value of the mortgaged real property, that such consent will be obtained in the event a federal or state housing agency has the right to consent to any change in the property management or ownership of the mortgaged real property or that the failure to obtain such consent will not adversely impact the lender's ability to exercise its remedies upon default of an underlying mortgage loan.

Some of the mortgaged real properties may have tenants that rely on rent subsidies under various government funded programs, including Section 8 Tenant-Based Assistance Rental Certificate Program of the United States Department of Housing and Urban Development (“Section 8”). In addition, with respect to certain of the underlying mortgage loans, the borrower may receive subsidies or other assistance from government programs. Generally, a mortgaged real property receiving such subsidy or assistance must satisfy certain requirements, the borrower must observe certain leasing practices and/or the tenant(s) must regularly meet certain income requirements. See “Description of the Underlying Mortgage Loans—Additional Loan and Property Information—Rental Subsidy Programs” in this information circular for a description of mortgaged real properties subject to rental subsidy programs, including Section 8.

We cannot assure you that such programs will continue in their present form or that the borrowers will continue to comply with the requirements of the programs to enable the borrowers to receive the subsidies in the future or that the level of assistance provided will be sufficient to generate enough revenues for the borrowers to meet their obligations under the underlying mortgage loans, nor can we assure you that any transferee of the mortgaged real property, whether through foreclosure or otherwise, will obtain the consent of the United States Department of Housing and Urban Development (“HUD”) or any state or local housing agency.

Some of the mortgaged real properties that secure the underlying mortgage loans may entitle or may have entitled their owners to receive low income housing tax credits pursuant to Code Section 42.

Code Section 42 provides a tax credit for owners of multifamily rental properties meeting the definition of low income housing who have received a tax credit allocation from a state or local allocating agency. The total amount of tax credits to which a property owner is entitled is based on the percentage of total units made available to qualified tenants.

The tax credit provisions limit the gross rent for each low-income unit. Under the tax credit provisions, a property owner must comply with the tenant income restrictions and rental restrictions over a minimum of a 15-year compliance period. In addition, agreements governing the multifamily rental property may require an “extended use period,” which has the effect of extending the income and rental restrictions for an additional period.

In the event a multifamily rental property does not maintain compliance with the tax credit restrictions on tenant income or rental rates or otherwise satisfy the tax credit provisions of the Code, the property owner may suffer a reduction in the amount of available tax credits and/or face the recapture of all or part of the tax credits related to the period of the noncompliance and face the partial recapture of previously taken tax credits. The loss of tax credits, and the possibility of recapture of tax credits already taken, may provide significant incentive for the property owner to keep the related multifamily rental property in compliance with such tax credit restrictions and limit the income derived from the related property.

Some of the mortgaged real properties that secure the underlying mortgage loans may entitle or may have entitled their owners to receive tax abatements or exemptions or may be subject to reduced taxes in connection with a “payment in lieu of taxes” (“PILOT”) agreement.

With respect to such mortgaged real properties that entitle their owners to receive tax exemptions, the related Cut-off Date LTVs are often calculated using Appraised Values that assume that the owners of such mortgaged real properties receive such property tax exemptions. Such property tax exemptions often require the mortgaged real property owners to be formed and operated for qualifying charitable purposes and to use the mortgaged real property for those qualifying charitable purposes. Claims for such property tax exemptions must often be re-filed annually by the property owners. Although the loan documents generally require the borrower to submit an annual claim and to take actions necessary for the borrower and the mortgaged real property to continue to qualify for a property tax exemption, if the borrower fails to do so, property taxes payable by the borrower on the mortgaged real property could increase, which could adversely impact the cash flow at or the value of the mortgaged real property. In addition, if the issuing entity forecloses on any such mortgaged real property, the issuing entity may be unable to qualify for a property tax exemption. Finally, if the issuing entity sells any such mortgaged real property in connection with a default on the underlying mortgage loan, prospective purchasers may be unwilling to bid on the mortgaged real property if they are unable to satisfy the requirements of a property tax exemption. This could limit the pool of prospective purchasers for any such mortgaged real property.

We cannot assure you that any tax abatements and exemptions or PILOT agreements will continue to benefit the related mortgaged real properties or that the continuance or termination of any of the tax abatements or exemptions will not adversely impact the mortgaged real properties or the related borrowers’ ability to generate sufficient cash flow to satisfy debt service payments and operating expenses.

***The Successful Operation of a Multifamily Property Depends on Tenants.*** Generally, multifamily properties are subject to leases. The owner of a multifamily property typically uses lease or rental payments for the following purposes—

- to pay for maintenance and other operating expenses associated with the property;
- to fund repairs, replacements and capital improvements at the property; and
- to pay debt service on mortgage loans secured by, and any other debt obligations associated with operating, the property.

Factors that may adversely affect the ability of a multifamily property to generate net operating income from lease and rental payments include—

- an increase in vacancy rates, which may result from tenants deciding not to renew an existing lease;
- an increase in tenant payment defaults;
- a decline in rental rates as leases are entered into, renewed or extended at lower rates;
- whether rental rates are less than the average market rental rates for the area and are not offset by low operating expenses;
- an increase in the capital expenditures needed to maintain the property or to make improvements; and
- an increase in operating expenses.

***Student Housing Facilities Pose Risks Not Associated With Other Types of Multifamily Properties.*** Student housing facilities may be more susceptible to damage or wear and tear than other types of multifamily housing. Such properties are also affected by their reliance on the financial well-being of the college or university to which such housing relates, competition from on-campus housing units (which may adversely affect occupancy), and the physical layout of the housing (which may not be readily convertible to traditional multifamily use). Further, student tenants have a higher turnover rate than other types of multifamily tenants, which in certain cases is compounded by the fact that some student leases are available for periods of less than 12 months. Some of the mortgaged real properties have tenants who are students. For example, with respect to 2 of the underlying mortgage loans, secured by the mortgaged real properties identified on Exhibit A-1 as "Hathaway Apartments," representing 9.3% of the initial Loan Group 1 balance, and "Toscana Apartments," representing 19.6% of the initial Loan Group 2 balance, at the time such underlying mortgage loans were underwritten the related mortgaged real properties had a significant student population.

***The Success of an Income-Producing Property Depends on Reletting Vacant Spaces.*** The operations at or the value of an income-producing property will be adversely affected if the owner or property manager is unable to renew leases or relet space on comparable terms when existing leases expire and/or become defaulted. Even if vacated space is successfully relet, the costs associated with reletting can be substantial and could reduce cash flow from the income-producing properties. Moreover, if a tenant at an income-producing property defaults in its lease obligations, the landlord may incur substantial costs and experience significant delays associated with enforcing its rights and protecting its investment, including costs incurred in renovating and reletting the property. We cannot assure you that these circumstances will not adversely impact operations at or the value of the mortgaged real properties. See "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans" in this information circular.

If an income-producing property has multiple tenants, re-leasing expenditures may be more frequent than in the case of a property with fewer tenants, thereby reducing the cash flow generated by the multi-tenanted property. If a smaller income-producing property has fewer tenants, increased vacancy rates may have a greater possibility of adversely affecting operations at or the value of the related mortgaged real property, thereby reducing the cash flow generated by the property. Similarly, if an income producing property has a number of short-term leases, re-leasing expenditures may be more frequent, thereby reducing the cash flow generated by such property.

***Property Value May Be Adversely Affected Even When Current Operating Income Is Not.*** Various factors may affect the value of multifamily properties without affecting their current net operating income, including—

- changes in interest rates;
- the availability of refinancing sources;
- changes in governmental regulations, licensing or fiscal policy;
- changes in zoning or tax laws; and
- potential environmental or other legal liabilities.

***Maintaining a Property in Good Condition May Be Costly.*** The owner may be required to expend a substantial amount to maintain, renovate or refurbish a multifamily property. Failure to do so may materially impair the property's ability to generate cash flow. The effects of poor construction quality will increase over time in the form of increased maintenance and capital improvements. Even superior construction will deteriorate over time if management does not schedule and perform adequate maintenance in a timely fashion. We cannot assure you that an income-producing property will generate sufficient cash flow to cover the increased costs of maintenance and capital improvements in addition to paying debt service on the underlying mortgage loan(s) that may encumber that property.

The proportion of older mortgaged real properties may adversely impact payments on the underlying mortgage loans on a collective basis. We cannot assure you that a greater proportion of underlying mortgage loans secured by older mortgaged real properties will not adversely impact cash flow at the mortgaged real properties on a collective basis or that it will not adversely affect payments related to your investment.

Certain of the mortgaged real properties may currently be undergoing or are expected to undergo in the future redevelopment or renovation. We cannot assure you that any current or planned redevelopment or renovation will be completed, that such redevelopment or renovation will be completed in the time frame contemplated, or that, when and if redevelopment or renovation is completed, such redevelopment or renovation will improve the operations at, or increase the value of, the subject property. Failure of any of the foregoing to occur could have a material negative impact on the related underlying mortgage loan, which could affect the ability of the related borrower to repay the underlying mortgage loan.

In the event the related borrower (or a tenant, if applicable) fails to pay the costs of work completed or material delivered in connection with ongoing redevelopment or renovation, the portion of the mortgaged real property on which there is construction may be subject to mechanic's or materialmen's liens that may be senior to the lien of the related underlying mortgage loan.

The existence of construction at a mortgaged real property may make such mortgaged real property less attractive to tenants and, accordingly, could have a negative effect on net operating income.

See "Description of the Underlying Mortgage Loans—Additional Loan and Property Information—Redevelopment or Renovation" in this information circular for a description of certain mortgaged real properties subject to current or future redevelopment, renovation or construction.

***Competition Will Adversely Affect the Profitability and Value of an Income-Producing Property.*** Some income-producing properties are located in highly competitive areas. Comparable income-producing properties located in the same area compete on the basis of a number of factors including—

- rental rates;
- location;
- type of services and amenities offered; and
- nature and condition of the particular property.

The profitability and value of an income-producing property may be adversely affected by a comparable property that—

- offers lower rents;
- has lower operating costs;
- offers a more favorable location; or
- offers better facilities and/or amenities.

Costs of renovating, refurbishing or expanding an income-producing property in order to remain competitive can be substantial.

***Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on an Underlying Mortgage Loan.*** Under Title 11 of the United States Code, as amended (the "Bankruptcy Code"), the filing of a petition in bankruptcy by or against a borrower, including a petition filed by or on behalf of a junior lienholder, will stay the sale of a real property owned by that borrower, as well as the commencement or continuation of a foreclosure action.

In addition, if a bankruptcy court determines that the value of a real property is less than the principal balance of the underlying mortgage loan it secures, the bankruptcy court may reduce the amount of secured indebtedness to the then-value of the property. This would make the lender a general unsecured creditor for the difference between the then-value of the property and the amount of its outstanding mortgage indebtedness.

A bankruptcy court also may—

- grant a debtor a reasonable time to cure a payment default on an underlying mortgage loan;
- reduce monthly payments due under an underlying mortgage loan;

- change the rate of interest due on an underlying mortgage loan; or
- otherwise alter an underlying mortgage loan's repayment schedule.

Furthermore, the borrower, as debtor-in-possession, or its bankruptcy trustee has special powers to avoid, subordinate or disallow debts. In some circumstances, the claims of a secured lender, such as the issuing entity, may be subordinated to financing obtained by a debtor-in-possession subsequent to its bankruptcy.

Under the Bankruptcy Code, a lender will be stayed from enforcing a borrower's assignment of rents and leases. The legal proceedings necessary to resolve these issues can be time consuming and may significantly delay the receipt of rents. Rents also may escape an assignment to the extent they are used by borrower to maintain its property or for other court authorized expenses.

As a result, the issuing entity's recovery with respect to borrowers in bankruptcy proceedings may be significantly delayed, and the total amount ultimately collected may be substantially less than the amount owed. Certain of the key principals or sponsors of the applicable borrowers may have declared bankruptcy in the past, which may mean they are more likely to declare bankruptcy again in the future or put the borrowing entities into bankruptcy in the future.

Pursuant to the doctrine of substantive consolidation, a bankruptcy court, in the exercise of its equitable powers, has the authority to order that the assets and liabilities of a borrower be consolidated with those of a bankrupt affiliate for the purposes of making distributions under a plan of reorganization or liquidation. Thus, property that is ostensibly the property of a borrower may become subject to the bankruptcy case of an affiliate, the automatic stay applicable to such bankrupt affiliate may be extended to a borrower and the rights of creditors of a borrower may become impaired.

In connection with the origination of certain of the underlying mortgage loans, no non-consolidation opinion with respect to the related borrower entity was obtained at origination.

We cannot assure you that these circumstances will not have an adverse impact on the liquidity of the related borrowers or the sponsors. Therefore, we cannot assure you that these circumstances will not adversely impact the borrowers' or the sponsors' ability to maintain the related mortgaged real properties or pay amounts owed on the related underlying mortgage loans.

**Fraudulent Transfer and Enforceability Considerations.** Each borrower with respect to an underlying mortgage loan in each Loan Group has executed a mortgage encumbering its interest in the related mortgaged real property that secures repayment of the related underlying mortgage loan as well as, pursuant to the related cross-collateralization agreement, each other underlying mortgage loan in such Loan Group. These arrangements attempt to reduce the risk that one mortgaged real property may not generate enough net operating income to pay debt service and to reduce realized losses in the event of liquidation. Cross-collateralization and cross-default arrangements could be unenforceable in bankruptcy or be challenged as a fraudulent transfer or conveyance by creditors of that borrower in an action outside a bankruptcy case or by the representative of a borrower or operating lessee's bankruptcy estate or certain other parties in interest in a bankruptcy case. Cross-default provisions could be unenforceable in bankruptcy if the obligations are deemed to be insufficiently interrelated or if there is a lack of adequate consideration for paying another borrower's obligations. Generally, under federal and most state fraudulent conveyance statutes, the incurrence of an obligation or the transfer of property or an interest in property by a person or entity will be subject to avoidance under certain circumstances if such person or entity (a) transferred such property with the actual intent to hinder, delay or defraud its creditors or (b) did not receive fair consideration or reasonably equivalent value in exchange for such obligation or transfer and (i) was insolvent or was rendered insolvent by such obligation or transfer, (ii) was engaged in business or a transaction, or was about to engage in business or a transaction, for which any property remaining with such person or entity constituted unreasonably small capital, or (iii) intended to, or believed that it would, incur debts that would be beyond such person's or entity's ability to pay as such debts matured. The measure of insolvency will vary depending on the law of the applicable jurisdiction. However, an entity will generally be considered insolvent if the present fair salable value of its assets is less than (x) the sum of its debts and (y) the amount that would be required to pay its probable liabilities on its existing debts as they become absolute and matured.

Accordingly, a lien granted by a borrower to secure the repayment of an underlying mortgage loan in excess of its allocated share could be avoided if a court were to determine that (i) such borrower was insolvent at the time of granting the lien, was rendered insolvent by the granting of the lien, or was left with inadequate capital, or was not able to pay its debts as they matured and (ii) the borrower did not, when it allowed the related mortgaged real property to be encumbered by a lien securing the entire indebtedness represented by the underlying mortgage loan, receive fair consideration or reasonably equivalent value for pledging such mortgaged real property for the equal benefit of each other borrower.

Although each borrower in each Loan Group has agreed to provide for appropriate allocation of contribution liabilities and other obligations as among the related borrowers in such Loan Group, we cannot assure you that a fraudulent transfer challenge would not be made or, if made, that it would not be successful.

Among other things, a legal challenge to the granting of a lien and/or the incurrence of an obligation by a borrower may focus on the benefits realized by such borrower from the underlying mortgage loan proceeds, as well as the overall cross-collateralization. If a court were to find or conclude that the granting of the liens or the incurrence of the obligations associated with an underlying mortgage loan was an avoidable fraudulent transfer or conveyance with respect to a particular borrower, that court could subordinate all or part of the underlying mortgage loan to existing or future indebtedness of such borrower or operating lessee, recover the payments made under the underlying mortgage loan by such borrower, or take other actions detrimental to the certificateholders, including under certain circumstances, invalidating the underlying mortgage loan or the mortgages securing the underlying mortgage loan.

In addition, because all of the underlying mortgage loans in each Loan Group are cross-defaulted with each other, subject to the definition of Servicing Transfer Event, a default under any of the underlying mortgage loans may lead to a default and a subsequent Servicing Transfer Event with respect to one or more other underlying mortgage loans in the related Loan Group, which could lead to special servicing fees and additional costs with respect to an underlying mortgage loan which is not otherwise in default but for the cross-default provisions of the related loan documents.

However, pursuant to the terms of the Pooling and Servicing Agreement, the occurrence of a Servicing Transfer Event triggered by a non-monetary default with respect to any underlying mortgage loan will not in and of itself constitute a Servicing Transfer Event with respect to any other underlying mortgage loan that is cross-defaulted with such underlying mortgage loan (if a Servicing Transfer Event would not otherwise have occurred but for giving effect to the cross-default provisions applicable to such underlying mortgage loan) unless (i) the master servicer or the special servicer determines, in accordance with the Servicing Standard, that it is in the best interest of the holders of certificates (as a collective whole) in the related Certificate Group to effect such a Servicing Transfer Event with respect to one or more such other underlying mortgage loans that are cross-defaulted with such underlying mortgage loan and (ii), in the case of a Third Party Master Servicer, Freddie Mac approves such Servicing Transfer Event with respect to one or more such other underlying mortgage loans that are cross-defaulted with such underlying mortgage loan. The occurrence of a Servicing Transfer Event triggered by a monetary default with respect to any underlying mortgage loan will cause a Servicing Transfer Event with respect to all of the underlying mortgage loans that are cross-defaulted with such underlying mortgage loan.

***Property Management is Important to the Successful Operation of the Mortgaged Real Property.*** The successful operation of a real estate project depends in part on the performance and viability of the property manager. The property manager is generally responsible for:

- operating the property and providing building services;
- establishing and implementing the rental structure;
- managing operating expenses;
- responding to changes in the local market; and
- advising the borrower with respect to maintenance and capital improvements.

Properties deriving revenues primarily from short-term leases, such as the leases at multifamily properties, generally are more management intensive than properties leased to creditworthy tenants under long-term leases.

A good property manager, by controlling costs, providing necessary services to tenants and overseeing and performing maintenance or improvements on the property, can improve cash flow, reduce vacancies, reduce leasing and repair costs and preserve building value. On the other hand, management errors can, in some cases, impair short-term cash flow and the long-term viability of an income-producing property.

We do not make any representation or warranty as to the skills of any present or future property managers with respect to the mortgaged real properties that will secure the underlying mortgage loans. Furthermore, we cannot assure you that any property managers will be in a financial condition to fulfill their management responsibilities throughout the terms of their respective management agreements. In addition, certain of the mortgaged real properties are managed by affiliates of the applicable borrower. If an underlying mortgage loan is in default or undergoing special servicing, this could disrupt the management of the mortgaged real property and may adversely affect cash flow.

***The Performance of an Underlying Mortgage Loan and the Related Mortgaged Real Property Depends in Part on Who Controls the Borrower and the Related Mortgaged Real Property.*** The operation and performance of an underlying mortgage loan will depend in part on the identity of the persons or entities that control the related borrower and the related mortgaged real property. The performance of the underlying mortgage loan may be adversely affected if control of the borrower changes, which may occur, for example, by means of transfers of direct or indirect ownership interests in such borrower. See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Due-on-Sale and Due-on-Encumbrance Provisions” in this information circular.

***Losses on Larger Loans May Adversely Affect Distributions on the Certificates.*** Certain of the underlying mortgage loans have Cut-off Date Principal Balances that are substantially higher than the average Cut-off Date Principal Balance for the related Loan Group. In general, these concentrations can result in losses that are more severe than would be the case if the total principal balance of the underlying mortgage loans backing the offered certificates were more evenly distributed. See Exhibits A-1 and A-2 for information relating to the underlying mortgage loans.

***Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of These Provisions May Otherwise Be Limited.*** The underlying mortgage loans in each Loan Group are cross-collateralized with the other underlying mortgage loans in such Loan Group. These arrangements attempt to reduce the risk that one mortgaged real property may not generate enough net operating income to pay debt service and to reduce realized losses in the event of liquidation. However, cross-collateralization arrangements involving more than one borrower could be challenged as a fraudulent conveyance and avoided if a court were to determine that:

- such borrower was insolvent at the time of granting the lien, was rendered insolvent by the granting of the lien, was left with unreasonably small capital, or was not able to pay its debts as they matured; and
- such borrower did not, when it allowed its mortgaged real property to be encumbered by a lien securing the entire indebtedness represented by the other mortgage loan, receive fair consideration or reasonably equivalent value for pledging such mortgaged real property for the equal benefit of the other borrower.

If the lien is avoided, the lender would lose the benefits afforded by such lien.

The underlying mortgage loans in each Loan Group are cross-defaulted. Subject to the definition of Servicing Transfer Event, a default under any of the underlying mortgage loans included in a Loan Group may lead to a default and a subsequent Servicing Transfer Event with respect to the other underlying mortgage loans in such Loan Group, which could lead to special servicing fees and additional costs with respect to an underlying mortgage loan which is not otherwise in default but for the cross-default provisions of the related loan documents.

However, pursuant to the terms of the Pooling and Servicing Agreement, the occurrence of a Servicing Transfer Event with respect to any underlying mortgage loan will not in and of itself constitute a Servicing Transfer Event with respect to any other underlying mortgage loan that is in a related Loan Group unless (i) the master servicer or the special servicer to effect a Servicing Transfer Event with respect to one or more such underlying mortgage loans that are in the related Loan Group and (ii) Freddie Mac approves such Servicing Transfer Event with respect to one or more such underlying mortgage loans that are in the related Loan Group.

See “Description of the Underlying Mortgage Loans—Cross-Collateralized Underlying Mortgage Loans and Underlying Mortgage Loans Made to Affiliated Borrowers” in this information circular.

See “Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Underlying Mortgage Loans with Borrowers Under Common Ownership” and “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions” in this information circular.

***Underlying Mortgage Loans to the Same Borrower or Borrowers Under Common Ownership May Result in More Severe Losses on the Offered Certificates.*** All of the underlying mortgage loans (in both Loan Groups) were made to the same borrower or to borrowers under common ownership. Underlying mortgage loans made to the same borrower or borrowers under common ownership pose additional risks. Among other things:

- financial difficulty at one mortgaged real property could cause the owner to defer maintenance at another mortgaged real property in order to satisfy current expenses with respect to the troubled mortgaged real property; and
- the owner could attempt to avert foreclosure on one mortgaged real property by filing a bankruptcy petition that might have the effect of interrupting monthly payments for an indefinite period on all of the underlying mortgage loans.

In addition, multiple real properties owned by the same borrower or borrowers under common ownership are likely to have common management. This would increase the risk that financial or other difficulties experienced by the property manager could have a greater impact on the owner of the underlying mortgage loans.

See “Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Underlying Mortgage Loans with Borrowers Under Common Ownership” in this information circular.

***A Borrower’s Other Loans May Reduce the Cash Flow Available to Operate and Maintain the Related Mortgaged Real Property or May Interfere with the Issuing Entity’s Rights Under the Related Underlying Mortgage Loan, Thereby Adversely Affecting Distributions on the Offered Certificates.*** As described under “—Subordinate Financing Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan” below and “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt” in this information circular, any of the mortgaged real properties may be encumbered in the future by other subordinate debt. In addition, subject, in some cases, to certain limitations relating to maximum amounts, the borrowers generally may incur trade and operational debt or other unsecured debt and enter into equipment and other personal property and fixture financing and leasing arrangements, in connection with the ordinary operation and maintenance of the related mortgaged real property. Furthermore, in the case of any underlying mortgage loan that requires or allows letters of credit to be posted by the related borrower as additional security for the underlying mortgage loan, in lieu of reserves or otherwise, such borrower may be obligated to pay fees and expenses associated with the letter of credit and/or to reimburse the letter of credit issuer in the event of a draw on the letter of credit by the lender.

The existence of other debt could:

- adversely affect the financial viability of a borrower by reducing the cash flow available to the borrower to operate and maintain the mortgaged real property or make debt service payments on the underlying mortgage loan or loans that are cross-collateralized or cross-defaulted with the underlying mortgage loan;
- adversely affect the security interest of the lender in the equipment or other assets acquired through its financings;
- complicate workouts or bankruptcy proceedings; and
- delay foreclosure on the mortgaged real property.

We cannot assure you that these circumstances will not adversely impact operations at or the value of the related mortgaged real property.

***Changes in Mortgage Pool Composition Can Change the Nature of Your Investment.*** Although all of the underlying mortgage loans in each Loan Group currently have the same maturity date and amortization schedule, the underlying mortgage loans in each Loan Group may amortize at different rates and mature on different dates if the maturity dates or amortization schedules are modified in connection with a modification, waiver or amendment of any underlying mortgage loan. In addition, some of those underlying mortgage loans may be prepaid or liquidated. As a result, the relative composition of each related Loan Group may change over time.

If you purchase certificates with a pass-through rate that is equal to or calculated based on a weighted average of interest rates on the underlying mortgage loans in the related Loan Group, your pass-through rate will be affected, and may decline, as the relative composition of the related Loan Group changes.

In addition, the composition of a Loan Group may change if the mortgage loan seller repurchases or substitutes for an underlying mortgage loan in a Loan Group due to a defect in any mortgage file or a breach of any of its representations and warranties that materially and adversely affects the value of any underlying mortgage loan (including any foreclosure property acquired in respect of any foreclosed mortgage loan) or any interests of the holders of any related class of certificates. Further, as payments and other collections of principal are received with respect to the underlying mortgage loans, the loans remaining in the related Loan Group may exhibit an increased concentration with respect to number and affiliation of borrowers and geographic location.

See “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” and “Yield and Maturity Considerations—Yield Considerations—Rate and Timing of Principal Payments” in this information circular.

***Geographic Concentration of the Mortgaged Real Properties May Adversely Affect Distributions on the Offered Certificates.*** The concentration of mortgaged real properties securing underlying mortgage loans in a particular Loan Group in a specific state or region will make the performance of the underlying mortgage loans in the related Loan Group, as a whole, more sensitive to the following factors in the state or region where the borrowers and the mortgaged real properties are concentrated:

- economic conditions, including real estate market conditions;
- changes in governmental rules and fiscal policies;
- regional factors such as earthquakes, floods, tornadoes, forest fires or hurricanes;
- acts of God, which may result in uninsured losses; and
- other factors that are beyond the control of the borrowers.

See Exhibit A-2 for additional information relating to the geographic concentration of the mortgaged real properties.

***Subordinate Financing Increases the Likelihood That a Borrower Will Default on an Underlying Mortgage Loan.*** None of the mortgaged real properties is currently encumbered with a subordinate lien, except for limited permitted encumbrances (which limited permitted encumbrances do not secure subordinate mortgage loans).

The existence of any secured subordinated indebtedness or unsecured indebtedness increases the difficulty of making debt service payments or refinancing an underlying mortgage loan at the loan’s maturity. In addition, the related borrower may have difficulty repaying multiple loans. Moreover, the filing of a petition in bankruptcy by, or on behalf of, a junior lienholder may stay the senior lienholder from taking action to foreclose out the junior lien.

***The Underlying Mortgage Loans Are Seasoned Loans And Some Of The Underlying Mortgage Loans Lack Features That Are Characteristic of Loans Contributed To Other Recent Freddie Mac Multifamily Securitzations.*** The underlying mortgage loans in Loan Group 1 were originated on June 29, 2009. The underlying mortgage loans in Loan Group 2 were originated on March 10, 2008. The underlying mortgage loans were underwritten in connection with their purchase by Freddie Mac. Environmental assessments, property condition assessments and appraisals were generally performed in connection with the origination of the underlying mortgage loans, but neither we nor the mortgage loan seller obtained updated environmental assessments, property condition assessments, appraisals or appraisal values in connection with this securitization.

In addition, and as further described in this information circular, some of the underlying mortgage loans and the related borrowers may lack certain features that are characteristic of loans that were included in recent Freddie Mac multifamily securitizations. See, for instance, “Risk Factors—Risks Related to the Underlying Mortgage Loans—The Type of Borrower May Entail Risk” and “—Certain of the Underlying Mortgage Loans Lack Customary Provisions” in this information circular.

***The Underlying Mortgage Loans Are Seasoned Loans, Which May Experience a Higher Rate of Prepayment Than Non-Seasoned Loans.*** All of the underlying mortgage loans are seasoned loans. At the time some of the underlying mortgage loans were originated, market interest rates for multifamily mortgage loans were generally higher than current market interest rates for multifamily mortgage loans. The related borrowers with respect to some of the underlying mortgage loans may have an incentive to refinance the related mortgaged real properties at the current lower market interest rates even though they may be required to pay a Static Prepayment Premium or Yield Maintenance Charge in connection with such prepayment. As a result, the underlying mortgage loans may experience a higher rate of prepayment than newly-originated mortgage loans, which may adversely affect the yields to maturity of the offered certificates. See “Risk Factors—Risks Related to the Offered Certificates—Prepayments on the Underlying Mortgage Loans Will Affect the Average Lives of Your Offered Certificates” in this information circular.

***Certain of the Underlying Mortgage Loans Have Incomplete Loan Files.*** Certain of the underlying mortgage loans have incomplete loan files, and therefore, we may have limited or incomplete information with respect to such underlying mortgage loans and the ability of the issuing entity to enforce the terms of, and to realize upon, such underlying mortgage loans may be negatively affected. For example, certain of the underlying mortgage loan files are missing environmental indemnities, seismic reports and additional documents. We cannot assure you that the lack of complete loan files with respect to such underlying mortgage loans will not adversely affect the value of those underlying mortgage loans or the ability of the issuing entity to enforce and realize upon those underlying mortgage loans.

***The Type of Borrower May Entail Risk.*** Mortgage loans made to partnerships, corporations or other entities may entail risks of loss from delinquency and foreclosure that are greater than those of mortgage loans made to individuals. The borrower’s sophistication and form of organization may increase the likelihood of protracted litigation or bankruptcy in default situations.

A number of the borrowers are partnerships. The bankruptcy of the general partner in a partnership may result in the dissolution of the partnership. The dissolution of a borrower that is a partnership, the winding up of its affairs and the distribution of its assets could result in an acceleration of its payment obligations under the related underlying mortgage loan.

With respect to all of the underlying mortgage loans, the borrowers’ organizational documents or the terms of the underlying mortgage loans limit the borrowers’ activities to the ownership of only the related mortgaged real properties and, subject to exceptions, including relating to future subordinate debt secured by the mortgaged real properties, generally limit the borrowers’ ability to incur additional future indebtedness other than trade payables and equipment financing relating to the mortgaged real properties in the ordinary course of business. These provisions are designed to mitigate the possibility that the borrowers’ financial condition would be adversely impacted by factors unrelated to the mortgaged real property and the underlying mortgage loan. However, we cannot assure you that the borrowers will comply with these requirements. Also, although a borrower may currently be structured as a single-purpose entity, such borrower may have previously owned property other than the mortgaged real property and/or may not have observed all covenants and conditions which typically are required to view a borrower as a “single purpose entity” under standard NRSRO criteria. We cannot assure you that circumstances arising from a borrower’s failure to observe the required covenants will not impact the borrower or the mortgaged real property. In addition, borrowers that are not single-purpose entities structured to limit the possibility of becoming insolvent or bankrupt may be more likely to become insolvent or subject to a voluntary or involuntary bankruptcy proceeding because the borrowers may be operating entities with a business distinct from the operation of the mortgaged real property with the associated liabilities and risks of operating an ongoing business or individuals that have personal liabilities unrelated to the mortgaged real property. However, any borrower, even a single-purpose entity structured to be bankruptcy-remote, as an owner of real estate, will be subject to certain potential liabilities and risks. We cannot assure you that any borrower will not file for bankruptcy protection or that creditors of a borrower or a corporation or individual general partner or managing member of a borrower will not

initiate a bankruptcy or similar proceeding against the borrower or corporate or individual general partner or managing member.

None of the borrowers or their owners have an independent director whose consent would be required to file a voluntary bankruptcy petition on behalf of such borrower. One of the purposes of an independent director of the borrower (or of a single purpose entity having an interest in the borrower) is to avoid a bankruptcy petition filing which is intended solely to benefit an affiliate and is not justified by the borrower's own economic circumstances. Borrowers (and any single purpose entity having an interest in any such borrowers) that do not have an independent director may be more likely to file a voluntary bankruptcy petition and therefore less likely to repay the related underlying mortgage loan. Even in the case of borrowers with independent directors, we cannot assure you that a borrower will not file for bankruptcy protection, that creditors of a borrower will not initiate a bankruptcy or similar proceeding against such borrower, or that, if initiated, a bankruptcy case of the borrower could be dismissed.

Pursuant to Section 364 of the Bankruptcy Code, a bankruptcy court may, under certain circumstances, authorize a debtor to obtain credit after the commencement of a bankruptcy case, secured among other things, by senior, equal or junior liens on property that is already subject to a lien. In the recent bankruptcy case of General Growth Properties, the debtors initially sought approval of a debtor-in-possession loan to the corporate parent entities guaranteed by the property-level single purpose entities and secured by second -liens on their properties. Although the debtor-in-possession loan ultimately did not include these subsidiary guarantees and second -liens, we cannot assure you that, in the event of a bankruptcy of a sponsor of a borrower, the sponsor of such borrower would not seek approval of a similar debtor-in-possession loan, or that a bankruptcy court would not approve a debtor-in-possession loan that included such subsidiary guarantees and second -liens on such subsidiaries' properties.

Furthermore, with respect to any underlying mortgage loans made to the same borrower or borrowers under common ownership, creditors of a common parent in bankruptcy may seek to consolidate the assets of those borrowers with those of the parent. Consolidation of the assets of the borrowers would likely have an adverse effect on the funds available to make distributions on the certificates. The bankruptcy of a borrower, or the general partner or the managing member of a borrower, may impair the ability of the lender to enforce its rights and remedies under the related mortgage.

***Certain of the Underlying Mortgage Loans Lack Customary Provisions.*** All of the underlying mortgage loans lack one or more features that are customary in mortgage loans intended for securitization. Among other things, the borrowers with respect to those underlying mortgage loans may not be required to have an independent director or to make payments to lockboxes or to maintain reserves for certain expenses, such as taxes, insurance premiums, capital expenditures, tenant improvements and leasing commissions or the requirements to make such payments may be suspended if the related borrower complies with the terms of the related loan documents, or the lenders under such underlying mortgage loans may not have the right to terminate the related property manager upon the occurrence of certain events or require lender approval of a replacement property manager. In addition, although mortgage loans intended to be securitized often have a guarantor with respect to certain bad acts such as fraud, guarantors may not be required with respect to certain of the underlying mortgage loans.

***Some Remedies May Not Be Available Following a Mortgage Loan Default.*** The underlying mortgage loans contain, subject to certain exceptions, "due-on-sale" and "due-on-encumbrance" clauses. These clauses permit the holder of an underlying mortgage loan to accelerate the maturity of the underlying mortgage loan if the related borrower sells or otherwise transfers or encumbers the related mortgaged real property or its interest in the mortgaged real property in violation of the terms of the mortgage. All of the underlying mortgage loans also include a debt-acceleration clause that permits the related lender to accelerate the debt upon specified monetary or non-monetary defaults of the borrower.

The courts of all states will enforce clauses providing for acceleration in the event of a material payment default. The equity courts of a state, however, may refuse the foreclosure or other sale of a mortgaged real property or refuse to permit the acceleration of the indebtedness as a result of a default deemed to be immaterial or if the exercise of these remedies would be inequitable or unjust. See "Description of the Underlying Mortgage Loans—Certain Legal Aspects of the Underlying Mortgage Loans" in this information circular for a discussion of certain legal aspects related to states in which mortgaged real properties that secure underlying mortgage loans collectively representing 10.0% or more of the related initial Loan Group balance are located.

The related borrower generally may collect rents for so long as there is no default. As a result, the issuing entity's rights to these rents will be limited because:

- the issuing entity may not have a perfected security interest in the rent payments until the master servicer, special servicer or sub-servicer collects them;
- the master servicer, special servicer or sub-servicer may not be entitled to collect the rent payments without court action; and
- the bankruptcy of the related borrower could limit the ability of the master servicer, special servicer or sub-servicer to collect the rents.

***Sponsor Defaults on Other Mortgage Loans May Adversely Impact and Impair Recovery on an Underlying Mortgage Loan.*** Principals of the related borrowers under certain of the underlying mortgage loans and/or their affiliates may be subject to defaults with respect to unrelated mortgage loans or, in some cases, with respect to prior mortgage loans that had been secured by real properties currently securing underlying mortgage loans that are assets of the issuing entity. We cannot assure you that these circumstances will not have an adverse effect on the liquidity of the sponsors or the borrowers or that such circumstances will not adversely affect the sponsors' or the borrowers' ability to maintain any related mortgaged real property, to pay amounts owed on any related underlying mortgage loan or to refinance any related underlying mortgage loan. See “—Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on an Underlying Mortgage Loan” above.

***Lending on Income-Producing Real Properties Entails Environmental Risks.*** Under various federal and state laws, a current or previous owner or operator of real property may be liable for the costs of cleanup of environmental contamination on, under, at or emanating from, the property. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of the contamination. The costs of any required cleanup and the owner's liability for these costs are generally not limited under these laws and could exceed the value of the property and/or the total assets of the owner. Contamination of a property may give rise to a lien on the property to assure the costs of cleanup. An environmental lien may have priority over the lien of an existing mortgage. In addition, the presence of hazardous or toxic substances, or the failure to properly clean up contamination on the property, may adversely affect the owner's or operator's future ability to refinance the property.

Certain environmental laws impose liability for releases of asbestos into the air, and govern the responsibility for the removal, encapsulation or disturbance of asbestos-containing materials when the asbestos-containing materials are in poor condition or when a property with asbestos-containing materials undergoes renovation or demolition. Certain laws impose liability for lead-based paint, lead in drinking water, elevated radon gas inside buildings and releases of polychlorinated biphenyl compounds. Third parties may also seek recovery from owners or operators of real property for personal injury or property damage associated with exposure to asbestos, lead, radon, polychlorinated biphenyl compounds and any other contaminants.

Pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, (“CERCLA”) as well as some other federal and state laws, a secured lender, such as the issuing entity, may be liable as an “owner” or “operator” of the real property, regardless of whether the borrower or a previous owner caused the environmental damage, if—

- prior to foreclosure, agents or employees of the lender participate in the management or operational affairs of the borrower; or
- after foreclosure, the lender fails to seek to divest itself of the facility at the earliest practicable commercially reasonable time on commercially reasonable terms, taking into account market conditions and legal and regulatory requirements.

Although the Asset Conservation, Lender Liability, and Deposit Insurance Protection Act of 1996 attempted to clarify the activities in which a lender may engage without becoming subject to liability under CERCLA or under the underground storage tank provisions of the federal Resource Conservation and Recovery Act, that legislation itself has not been clarified by the courts and has no applicability to other federal laws or to state environmental laws except as may be expressly incorporated. Moreover, future laws, ordinances or regulations could impose material environmental liability.

Federal law requires owners of residential housing constructed prior to 1978 to disclose to potential residents or purchasers—

- any condition on the property that causes exposure to lead-based paint; and
- the potential hazards to pregnant women and young children, including that the ingestion of lead-based paint chips and/or the inhalation of dust particles from lead-based paint by children can cause permanent injury, even at low levels of exposure.

Property owners may be liable for injuries to their tenants resulting from exposure under various laws that impose affirmative obligations on property owners of residential housing containing lead-based paint.

See “Description of the Underlying Mortgage Loans—Underwriting Matters—Environmental Assessments” in this information circular for information relating to environmental site assessments (each, an “ESA”) prepared in connection with the origination of the underlying mortgage loans.

Furthermore, any particular environmental testing may not have covered all potential adverse conditions. For example, testing for lead-based paint, asbestos-containing materials, lead in water and radon was done only if the use, age, location and condition of the subject property warranted that testing. In general, testing was done for lead based paint only in the case of a multifamily property built prior to 1978, for asbestos containing materials only in the case of a property built prior to 1981 and for radon gas only in the case of a multifamily property located in an area determined by the Environmental Protection Agency to have a high concentration of radon gas or within a state or local jurisdiction requiring radon gas testing.

We cannot assure you that—

- the environmental testing or assessments referred to above identified all material adverse environmental conditions and circumstances at the subject properties;
- the recommendation of the environmental consultant was, in the case of all identified problems, the appropriate action to take; or
- any of the environmental escrows established or letters of credit obtained with respect to any of the underlying mortgage loans will be sufficient to cover the recommended remediation or other action.

**Risks Related to Hybrid ARM Underlying Mortgage Loans.** As described in “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans” in this information circular, the underlying mortgage loans are Hybrid ARM underlying mortgage loans. The Hybrid ARM underlying mortgage loans have interest rates that are fixed for an initial period that expires 120 months following the origination date of such underlying mortgage loan in Loan Group 1 and 126 months following the origination date of such underlying mortgage loan in Loan Group 2, and thereafter, so long as no event of default has occurred, the maturity date for each underlying mortgage loan will automatically be extended for 12 months, during which term, the interest rate is adjustable on monthly loan reset dates for such underlying mortgage loan based on LIBOR. Accordingly, after the initial loan reset date, debt service for each Hybrid ARM underlying mortgage loan will generally increase as interest rates rise and none of the Hybrid ARM underlying mortgage loans have the benefit of any interest rate cap agreement. In contrast, rental income and other income from the mortgaged real properties may not rise as significantly as interest rates rise. Accordingly, the debt service coverage ratios of the Hybrid ARM underlying mortgage loans will generally be adversely affected by rising interest rates, and the borrower’s ability to make all payments due on the Hybrid ARM underlying mortgage loans may be adversely affected. We cannot assure you that borrowers will be able to make all payments due on the Hybrid ARM underlying mortgage loans if the mortgage interest rates were to hit their applicable caps. See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Mortgage Interest Rates; Calculations of Interest” in this information circular and Exhibit A-1.

***Changes to, or Elimination of, LIBOR Could Adversely Affect Your Investment in the Offered Certificates.***

Regulators and law-enforcement agencies from a number of governments, including entities in the United States, Japan, Canada and the United Kingdom, have been conducting civil and criminal investigations into whether the banks that contributed to the British Bankers’ Association (the “BBA”) in connection with the calculation of daily LIBOR may have underreported or otherwise manipulated or attempted to manipulate LIBOR.

Based on a review conducted by the Financial Conduct Authority of the United Kingdom (the “FCA”) and a consultation conducted by the European Commission, proposals have been made for governance and institutional reform, regulation, technical changes and contingency planning. In particular: (a) new legislation has been enacted in the United Kingdom pursuant to which LIBOR submissions and administration are now “regulated activities” and manipulation of LIBOR has been brought within the scope of the market abuse regime; (b) legislation has been proposed which if implemented would, among other things, alter the manner in which LIBOR is determined, compel more banks to provide LIBOR submissions, and require these submissions to be based on actual transaction data; and (c) LIBOR rates for certain currencies and maturities are no longer published daily. In addition, pursuant to authorization from the FCA, the ICE Benchmark Administration Limited (the “IBA”) took over the administration of LIBOR from the BBA on February 1, 2014.

In a speech on July 27, 2017, Andrew Bailey, the Chief Executive of the FCA, announced the FCA’s intention to cease sustaining LIBOR after 2021. The FCA has statutory powers to require panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that it expects that the current panel banks will voluntarily sustain LIBOR until the end of 2021. The FCA’s intention is that after 2021, it will no longer be necessary for the FCA to ask, or to require, banks to submit contributions to LIBOR. The FCA does not intend to sustain LIBOR through using its influence or legal powers beyond that date. It is possible that the IBA and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so, but we cannot assure you that LIBOR will survive in its current form, or at all.

For the underlying mortgage loans and the certificates, LIBOR will be the IBA’s one-month London interbank offered rate for United States Dollar deposits, as displayed on the LIBOR Index Page. In the event the IBA ceases to set or publish a rate for LIBOR, the Calculation Agent will be required to use the industry-designated alternative index, as confirmed by Freddie Mac. If no alternative index is designated, the Calculation Agent will use the alternative index set out in the Guide or in any communications made available in writing by Freddie Mac relating to the index being used at such time by Freddie Mac for its multifamily mortgage loans or such other alternative index designated by the Guarantor.

We cannot predict the effect of the FCA’s decision not to sustain LIBOR, or, if changes are ultimately made to LIBOR, the effect of those changes. In addition, we cannot predict what alternative index would be chosen should this occur. If LIBOR in its current form does not survive or if an alternative index is chosen, the market value and/or liquidity of the certificates could be adversely affected.

***Appraisals, and Market Studies May Inaccurately Reflect the Value of the Mortgaged Real Properties.*** In connection with the origination of most of the underlying mortgage loans, the related mortgaged real property was appraised by an independent appraiser. The appraisals reflect market conditions at the time the appraisals were conducted and may not reflect current values. We have not confirmed the values of the respective mortgaged real properties in the appraisals.

The appraisals were performed or obtained on the dates set forth on Exhibit A-1.

See “Description of the Underlying Mortgage Loans—Underwriting Matters—Appraisals and Market Studies” in this information circular.

Appraisals are not guarantees, and may not be fully indicative of present or future value because—

- they represent the analysis and opinion of the appraiser, broker or Freddie Mac at the time the appraisal or broker review, as applicable, is conducted and the value of the mortgaged real property may have fluctuated since the appraisal or broker review was performed;
- we cannot assure you that another appraiser or broker would not have arrived at a different valuation, even if the appraiser or broker used the same general approach to, and the same method of, appraising or valuing the mortgaged real property;
- appraisals and broker’s price opinions seek to establish the amount a typically motivated buyer would pay a typically motivated seller and therefore, could be significantly higher than the amount obtained from the sale of a mortgaged real property under a distress or liquidation sale.

***Property Managers and Borrowers May Each Experience Conflicts of Interest in Managing Multiple Properties.*** In the case of many of the underlying mortgage loans, the related property managers and borrowers may experience conflicts of interest in the management and/or ownership of the related mortgaged real properties because—

- a number of those mortgaged real properties are managed by property managers affiliated with the respective borrowers;
- the property managers also may manage additional properties, including properties that may compete with those mortgaged real properties; and
- affiliates of the property managers and/or the borrowers, or the property managers and/or the borrowers themselves, also may own other properties, including properties that may compete with those mortgaged real properties.

***The Master Servicer, the Special Servicer and any Sub-Servicers May Experience Conflicts of Interest.*** In the ordinary course of their businesses the master servicer, the special servicer and any sub-servicers will service loans other than those included in the issuing entity. In addition, they may own other mortgage loans. These other loans may be similar to the underlying mortgage loans. The mortgaged real properties securing these other loans may—

- be in the same markets as mortgaged real properties securing the underlying mortgage loans;
- have owners and/or property managers in common with mortgaged real properties securing the underlying mortgage loans; and/or
- be sponsored by parties that also sponsor mortgaged real properties securing the underlying mortgage loans.

In these cases, the interests of the master servicer, the special servicer or a sub-servicer, as applicable, and its other clients may differ from and compete with the interests of the issuing entity and these activities may adversely affect the amount and timing of collections on the underlying mortgage loans. Under the Pooling and Servicing Agreement, the master servicer, the special servicer and any sub-servicers are each required to service the underlying mortgage loans for which it is responsible in accordance with the Servicing Standard.

In addition, any Third Party Master Servicer, any Third Party Special Servicer and any sub-servicer, or one or more of their respective affiliates, may have originated some of the underlying mortgage loans. As a result, any such Third Party Master Servicer, Third Party Special Servicer or any sub-servicer may have interests with respect to such underlying mortgage loans, such as relationships with the borrowers or the sponsors of the borrowers, that differ from, and may conflict with, your interests.

In addition, the Pooling and Servicing Agreement provides that any Third Party Master Servicer and any sub-servicer may consult with Freddie Mac (in its capacity as servicing consultant) with respect to the application of Freddie Mac Servicing Practices to any matters related to non-Specially Serviced Mortgage Loans. Any advice provided by Freddie Mac (in its capacity as servicing consultant) in connection with any such consultation may conflict with the interests of one or more classes of the certificateholders.

Under certain circumstances, the Pooling and Servicing Agreement will require that a Third Party Special Servicer promptly resign as special servicer of any related Affiliated Borrower Special Servicer Loan and provides for the appointment of a successor Affiliated Borrower Special Servicer to act as the special servicer with respect to any such Affiliated Borrower Special Servicer Loan. See “The Pooling and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Resignation of the Master Servicer or the Special Servicer” and “—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer” in this information circular.

***A Conflict of Interest Could Arise Between Freddie Mac’s Duties as Master Servicer or as Special Servicer and its Obligations as Guarantor.*** Freddie Mac, which will be the initial master servicer and the initial special servicer, is expected to purchase the offered certificates and include them in pass-through pools that it will form in connection with its issuance of the certificates, and to act as guarantor for certain payments on the offered certificates. Freddie Mac’s interests in its capacity as guarantor of the offered certificates could conflict with its duties in its capacity as master servicer or special servicer under the Pooling and Servicing Agreement or the

applicable sub-servicing agreements, especially to the extent that certain actions or events have a disproportionate effect on one or more classes of certificates. Although the master servicer and the special servicer are required to service the underlying mortgage loans in accordance with the Servicing Standard pursuant to the terms of the Pooling and Servicing Agreement and the applicable sub-servicing agreements, Freddie Mac in its capacity as guarantor is not subject to the Servicing Standard in granting its consent to certain matters pursuant to the terms of the Pooling and Servicing Agreement.

***If the Master Servicer, any Sub-Servicer or the Special Servicer Purchases Certificates or SPCs, a Conflict of Interest Could Arise Between Their Duties and Their Interests in the Certificates or SPCs.*** Freddie Mac, which is the master servicer and special servicer, is expected to purchase the offered certificates and include the offered certificates in pass-through pools that it will form for the SPCs. However, under the Pooling and Servicing Agreement and any applicable Sub-Servicing Agreement, the master servicer, any sub-servicer and the special servicer are each required to service the underlying mortgage loans in accordance with the Servicing Standard.

***The Master Servicer and the Special Servicer Will Be Required to Service Certain Underlying Mortgage Loans in Accordance with Freddie Mac Servicing Practices, Which May Limit the Ability of the Master Servicer and the Special Servicer to Make Certain Servicing Decisions.*** The master servicer and the special servicer will be required to service the underlying mortgage loans in accordance with (i) any and all applicable laws, (ii) the express terms of the Pooling and Servicing Agreement, (iii) the express terms of the respective underlying mortgage loans and any applicable intercreditor, co-lender or similar agreements and (iv) to the extent consistent with clauses (i), (ii) and (iii), the Servicing Standard, as further described in “The Pooling and Servicing Agreement—Servicing Under the Pooling and Servicing Agreement.” In the case of underlying mortgage loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans, the Servicing Standard requires the master servicer to follow Freddie Mac Servicing Practices. Freddie Mac Servicing Practices require servicing and administering the underlying mortgage loans and/or REO Properties in the same manner in which, and with the same care, skill, prudence and diligence with which, Freddie Mac services and administers multifamily mortgage loans owned by Freddie Mac. This includes servicing and administering in accordance with the Freddie Mac Multifamily Seller/Servicer Guide (or any successor to the Guide). The Guide comprises Freddie Mac’s servicing guidelines for its multifamily commercial mortgage loans and Freddie Mac may modify the Guide and any policies or procedures at any time. Freddie Mac Servicing Practices also includes servicing and administering in accordance with any written Freddie Mac policies, procedures or other written communications made available in writing by Freddie Mac to any Third Party Master Servicer or any sub-servicer, as applicable, including written communications from Freddie Mac as servicing consultant pursuant to the Pooling and Servicing Agreement. Any Third Party Master Servicer and any sub-servicer are permitted to consult with Freddie Mac regarding the application of Freddie Mac Servicing Practices to any matters related to non-Specially Serviced Mortgage Loans. The servicing consultant may contact the related borrower to request any necessary documentation from such borrower in order to provide consultation to any Third Party Master Servicer or any sub-servicer with respect to the proper application of Freddie Mac Servicing Practices. We cannot assure you that the requirement to follow Freddie Mac Servicing Practices in certain circumstances, or consultations between the master servicer or any sub-servicer and Freddie Mac regarding the application of Freddie Mac Servicing Practices will not limit the master servicer’s or any sub-servicer’s ability to make certain servicing decisions.

***Some of the Mortgaged Real Properties Are Legal Nonconforming Uses or Legal Nonconforming Structures.*** Some of the underlying mortgage loans may be secured by a mortgaged real property that is a legal nonconforming use or a legal nonconforming structure. This may impair the ability of the related borrower to restore the improvements on a mortgaged real property to its current form or use following a major casualty. See “Description of the Underlying Mortgage Loans—Underwriting Matters—Zoning and Building Code Compliance” in this information circular.

***Changes in Zoning Laws May Affect Ability to Repair or Restore a Mortgaged Real Property.*** Due to changes in applicable building and zoning ordinances and codes that may affect some of the mortgaged real properties that secure the underlying mortgage loans, which changes may have occurred after the construction of the improvements on these properties, the mortgaged real properties may not comply fully with current zoning laws because of:

- density;
- use;

- parking;
- set-back requirements; or
- other building related conditions.

These ordinance and/or code changes are not expected to materially interfere with the current use of the mortgaged real properties, and the mortgage loan seller will represent that any instances of non-compliance will not materially and adversely affect the value of the related mortgaged real property. However, these changes may limit the ability of the related borrower to rebuild the premises “as is” in the event of a substantial casualty loss, which in turn may adversely affect the ability of the borrower to meet its mortgage loan obligations from cash flow. With some exceptions, the underlying mortgage loans secured by mortgaged real properties which no longer conform to current zoning ordinances and codes will require, or contain provisions under which the lender in its reasonable discretion may require, the borrower to maintain “ordinance and law” coverage which, subject to the terms and conditions of such coverage, will insure the increased cost of construction to comply with current zoning ordinances and codes. Insurance proceeds may not be sufficient to pay off the related underlying mortgage loan in full. In addition, if the mortgaged real property were to be repaired or restored in conformity with then current law, its value could be less than the remaining balance on the underlying mortgage loan and it may produce less revenue than before repair or restoration.

In addition, with respect to certain of the underlying mortgage loans, the related mortgaged real properties may be non-conforming as to setbacks, parking and/or density, and in some cases ordinance and law insurance coverage may be in amounts less than generally required at origination of mortgage loans secured by similar properties. See “Description of the Underlying Mortgage Loans—Underwriting Matters—Zoning and Building Code Compliance” in this information circular.

**Lending on Income-Producing Properties Entails Risks Related to Property Condition.** With respect to all of the mortgaged real properties in connection with the origination of such mortgage loans or addition of such mortgaged real properties as collateral under such underlying mortgage loans, a third-party engineering firm inspected the property to assess exterior walls, roofing, interior construction, mechanical and electrical systems and general condition of the site, and buildings and other improvements located at each of the mortgaged real properties in connection with the origination of the related underlying mortgage loans. Such reports were obtained between February 14, 2008 and January 29, 2013. We have not obtained updated inspections of the mortgaged real properties in connection with this securitization.

We cannot assure you that all conditions at the mortgaged real properties requiring repair or replacement have been identified in these inspections, or that all building code and other legal compliance issues have been identified through inspection or otherwise, or, if identified, have been adequately addressed by escrows or otherwise. Furthermore, the condition of the mortgaged real properties may have changed since the origination of the related underlying mortgage loans. Finally, with respect to certain mortgaged real properties, the loan documents may require the related borrower to make certain repairs or replacements on the improvements on the mortgaged real property within certain time periods. Some of these required repairs or replacements may be in progress as of the date of this information circular, and we cannot assure you that the related borrowers will complete any such required repairs or replacements in a timely manner or in accordance with the requirements set forth in the loan documents. We cannot assure you that these circumstances will not adversely impact operations at or the value of the related mortgaged real properties. See “Description of the Underlying Mortgage Loans—Underwriting Matters—Property Condition Assessments” in this information circular.

**World Events and Natural Disasters Could Have an Adverse Impact on the Mortgaged Real Properties Securing the Underlying Mortgage Loans and Consequently Could Reduce the Cash Flow Available to Make Payments on the Offered Certificates.** The economic impact of the United States’ military operations in various parts of the world, as well as the possibility of any terrorist attacks domestically or abroad, is uncertain, but could have a material adverse effect on general economic conditions, consumer confidence, and market liquidity. We cannot assure you as to the effect of these events or other world events on consumer confidence and the performance of the underlying mortgage loans. Any adverse impact resulting from these events could ultimately be borne by the holders of one or more classes of certificates.

In addition, natural disasters, including earthquakes, floods and hurricanes, also may adversely affect the mortgaged real properties that back the offered certificates. For example, real properties located in California may be more susceptible to certain hazards (such as earthquakes or widespread fires) than properties in other parts of the country and mortgaged real properties located in coastal states generally may be more susceptible to hurricanes than properties in other parts of the country. Hurricanes and related windstorms, floods, tornadoes and oil spills have caused extensive and catastrophic physical damage in and to coastal and inland areas located in the eastern, mid-Atlantic and Gulf Coast regions of the United States and certain other parts of the eastern and southeastern United States. The underlying mortgage loans do not all require the maintenance of flood insurance for the related mortgaged real properties. We cannot assure you that any damage caused by hurricanes, windstorms, floods, tornadoes or oil spills would be covered by insurance.

***Special Hazard Losses May Cause You to Suffer Losses on the Offered Certificates.*** In general, the standard form of fire and extended coverage policy covers physical damage to or destruction of the improvements of a property by fire, lightning, explosion, smoke, windstorm and hail, and riot, strike and civil commotion, subject to the conditions and exclusions specified in the related policy. Most insurance policies typically do not cover any physical damage resulting from, among other things—

- war;
- nuclear, biological or chemical materials;
- revolution;
- governmental actions;
- floods and other water-related causes;
- earth movement, including earthquakes, landslides and mudflows;
- wet or dry rot;
- vermin; and
- domestic animals.

Unless the related loan documents specifically require (and such provisions were not waived) the borrower to insure against physical damage arising from these causes, then any losses resulting from these causes may be borne by you as a holder of offered certificates.

If the related loan documents do not expressly require a particular type of insurance but permit the mortgagee to require such other insurance as is reasonable, the related borrower may challenge whether maintaining that type of insurance is reasonable in light of all the circumstances, including the cost. The master servicer's efforts to require such insurance may be further impeded if the applicable Originator did not require the subject borrower to maintain such insurance regardless of the terms of the related loan documents.

There is also a possibility of casualty losses on a real property for which insurance proceeds, together with land value, may not be adequate to pay the underlying mortgage loan in full or rebuild the improvements. Consequently, we cannot assure you that each casualty loss incurred with respect to a mortgaged real property securing one of the underlying mortgage loans will be fully covered by insurance or that the underlying mortgage loan will be fully repaid in the event of a casualty.

Furthermore, various forms of insurance maintained with respect to any of the mortgaged real properties for the underlying mortgage loans, including casualty insurance, may be provided under a blanket insurance policy. That blanket insurance policy will also cover other real properties, some of which may not secure underlying mortgage loans. As a result of total limits under any of those blanket policies, losses at other properties covered by the blanket insurance policy may reduce the amount of insurance coverage with respect to a property securing one of the underlying mortgage loans.

We cannot assure you regarding the extent to which the mortgaged real properties will be insured against earthquake risks. See "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Property Damage, Liability and Other Insurance" in this information circular for

additional information relating to mortgaged real properties that are located in seismic zones 3 or 4 or a geographic location with a horizontal peak ground acceleration equal to or greater than 0.15g but for which earthquake insurance was not required.

***The Absence or Inadequacy of Terrorism Insurance Coverage on the Mortgaged Real Properties May Adversely Affect Payments on the Certificates.*** Following the September 11, 2001 terrorist attacks in the New York City area and Washington, D.C. area, many insurance companies eliminated coverage for acts of terrorism from their policies. Without assurance that they could secure financial backup for this potentially uninsurable risk, availability in the insurance market for this type of coverage, especially in major metropolitan areas, became either unavailable, or was offered with very restrictive limits and terms, with prohibitive premiums being requested. In order to provide a market for such insurance, the Terrorism Risk Insurance Act of 2002 was enacted on November 26, 2002, establishing the “Terrorism Risk Insurance Program.” The Terrorism Risk Insurance Program was extended through December 31, 2014 by the Terrorism Risk Insurance Program Reauthorization Act of 2007 and was subsequently reauthorized on January 12, 2015 for a period of six years through December 31, 2020 pursuant to the Terrorism Risk Insurance Program Reauthorization Act of 2015.

Under the Terrorism Risk Insurance Program, the federal government shares in the risk of losses occurring within the United States resulting from acts committed in an effort to influence or coerce United States civilians or the United States government. The federal share of compensation for insured losses of an insurer will be equal to 83% in 2017 (subject to annual decreases of 1% thereafter until equal to 80%) of the portion of such insured losses that exceed a deductible equal to 20% of the value of the insurer’s direct earned premiums over the calendar year immediately preceding that program year. Federal compensation in any program year is capped at \$100 billion (with insurers being liable for any amount that exceeds such cap), and no compensation is payable with respect to a terrorist act unless the aggregate industry losses relating to such act exceed \$140 million in 2017 (subject to annual increases of \$20 million thereafter until equal to \$200 million).

The Terrorism Risk Insurance Program does not cover nuclear, biological, chemical or radiological attacks. Unless borrowers obtain separate coverage for events that do not meet the thresholds or other requirements above, such events would not be covered.

If the Terrorism Risk Insurance Program is not reenacted after its expiration in 2020, premiums for terrorism insurance coverage will likely increase and the terms of such insurance policies may be materially amended to increase stated exclusions or to otherwise effectively decrease the scope of coverage available. We cannot assure you that the Terrorism Risk Insurance Program will create any long term changes in the availability and cost of insuring terrorism risks. In addition, we cannot assure you that terrorism insurance or the Terrorism Risk Insurance Program will be available or provide sufficient protection against risks of loss on the mortgaged real properties resulting from acts of terrorism.

The applicable Originators required the related borrower to obtain terrorism insurance with respect to each of the underlying mortgage loans, the cost of which, in some cases, may be subject to a maximum amount as set forth in the related loan documents. The master servicer will not be obligated to require any borrower to obtain or maintain terrorism insurance in excess of the amounts of coverage and deductibles required by the loan documents. The master servicer will not be required to declare a default under an underlying mortgage loan if the related borrower fails to maintain insurance with respect to acts of terrorism, and the master servicer need not maintain (or require the borrower to obtain) such insurance, if certain conditions are met, as described under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Property Damage, Liability and Other Insurance” in this information circular.

The loan documents may permit the lender to temporarily suspend, cap or otherwise limit the requirement that the borrower maintain insurance against acts of terrorism for a period not longer than one year, which suspension, waiver or cap may be renewed by the lender in one year increments, if insurance against acts of terrorism is not available at commercially reasonable rates and such hazards are not at the time commonly insured against for properties similar to the related mortgaged real property and located in and around the region where the mortgaged real property is located.

We cannot assure you regarding the extent to which the mortgaged real properties will be insured against acts of terrorism.

If any mortgaged real property securing an underlying mortgage loan sustains damage as a result of an uninsured terrorist or similar act, a default on such underlying mortgage loan may result, and such damaged mortgaged real property may not provide adequate collateral to satisfy all amounts owing under such underlying mortgage loan. This could result in losses on some classes of certificates, subject to the Freddie Mac Guarantee.

If a borrower is required, under the circumstances described above, to maintain insurance coverage with respect to terrorist or similar acts, the borrower may incur higher costs for insurance premiums in obtaining that coverage which would have an adverse effect on the net cash flow of the related mortgaged real property.

***The Absence or Inadequacy of Earthquake, Flood and Other Insurance May Adversely Affect Payments on the Certificates.*** The mortgaged real properties may suffer casualty losses due to risks that are not covered by insurance or for which insurance coverage is inadequate. In addition, certain of the mortgaged real properties are located in regions that have historically been at greater risk regarding acts of nature (such as hurricanes, floods and earthquakes) than other regions, as applicable. There is no assurance that borrowers under the underlying mortgage loans will be able to maintain adequate insurance. Moreover, if reconstruction or any major repairs are required, changes in laws may materially affect the borrower's ability to effect such reconstruction or major repairs or may materially increase the costs of reconstruction and repair. As a result of any of these factors, the amount available to make distributions on the offered certificates could be reduced.

***Compliance with Americans with Disabilities Act May Result in Additional Costs to Borrowers.*** Under the Americans with Disabilities Act of 1990, as amended (the “ADA”), all existing facilities considered to be “public accommodations” are required to meet certain federal requirements related to access and use by disabled persons such that the related borrower is required to take steps to remove architectural and communication barriers that are deemed “readily achievable” under the ADA. Factors to be considered in determining whether or not an action is “readily achievable” include the nature and cost of the action, the number of persons employed at the related mortgaged real property and the financial resources of the borrower. To the extent a mortgaged real property securing an underlying mortgage loan does not comply with the ADA, the borrower may be required to incur costs to comply with this law. We cannot assure you that the borrower will have the resources to comply with the requirements imposed by the ADA, which could result in the imposition of fines by the federal government or an award of damages to private litigants.

***Limited Information Causes Uncertainty.*** Certain of the underlying mortgage loans are loans that were made to enable the related borrower to acquire the related mortgaged real property. Accordingly, for certain of these underlying mortgage loans limited or no historical operating information is available with respect to the related mortgaged real property. As a result, you may find it difficult to analyze the historical performance of those properties.

***Litigation May Adversely Affect Property Performance.*** There may be pending or, from time to time, threatened legal proceedings against the borrowers under the underlying mortgage loans, the property managers of the related mortgaged real properties and their respective affiliates, arising out of the ordinary business of those borrowers, property managers and affiliates. We cannot assure you that litigation will not adversely impact operations at or the value of the applicable mortgaged real properties or will not have a material adverse effect on your investment. See “—Borrower Bankruptcy Proceedings Can Delay and Impair Recovery on an Underlying Mortgage Loan” and “—Sponsor Defaults on Other Mortgage Loans May Adversely Impact and Impair Recovery on an Underlying Mortgage Loan” above.

***Master Servicer and Special Servicer May Be Directed to Take Actions.*** In connection with the servicing of Specially Serviced Mortgage Loans by the special servicer and the servicing of non-Specially Serviced Mortgage Loans by the master servicer, the master servicer or the special servicer may, at the direction of Freddie Mac (if Freddie Mac is no longer the master servicer or the special servicer), take actions with respect to such loans that could adversely affect the holders of some or all of the classes of certificates. Freddie Mac may have interests that conflict with those of certain certificateholders. As a result, it is possible that Freddie Mac (if Freddie Mac is no longer the master servicer or the special servicer) may direct the master servicer or the special servicer to take actions that conflict with the interests of certain classes of certificates. However, the master servicer and the special servicer are not permitted to take actions that are prohibited by law or violate the Servicing Standard or the terms of the loan documents.

**The Mortgage Loan Seller is Making Limited Representations and Warranties.** The mortgage loan seller is making a limited number of representations and warranties with respect to the underlying mortgage loans. Those representations are set forth on Exhibit C-1 to this information circular and are subject to the exceptions set forth on Exhibit C-2 to this information circular. Certain representations and warranties that have been included in recent Freddie Mac multifamily securitizations are not being made by Freddie Mac with respect to the underlying mortgage loans in this transaction. Among other things, no representation is being made that (i) the mortgage notes are the legal, valid, binding and enforceable obligation of the signatory, (ii) the mortgage notes contain customary and enforceable provisions so as to render the rights and remedies of the holder of the mortgage notes adequate for the practical realization against the related mortgaged real properties and (iii) the mortgages create valid and enforceable liens on the related mortgaged real properties. As a result, conditions could exist relating to the underlying mortgage loans and/or the mortgaged real properties that could adversely affect the ability of the issuing entity to effectively realize upon the underlying mortgage loans or otherwise adversely affect the interests of the certificateholders in the related Certificate Group. Unless the condition gives rise to a material breach of any representation and warranty made by the mortgage loan seller, the issuing entity would have no recourse against the mortgage loan seller (subject to the Freddie Mac Guarantee).

**The Mortgage Loan Seller May Not Be Able to Make a Required Cure, Repurchase or Substitution of a Defective Mortgage Loan.** The mortgage loan seller is the sole warranting party in respect of the underlying mortgage loans sold by it to us. Neither we nor any of our affiliates are obligated to cure, repurchase or substitute any underlying mortgage loan in connection with a material breach of the mortgage loan seller's representations and warranties or any material document defects, if the mortgage loan seller defaults on its obligations to do so. We cannot assure you that the mortgage loan seller will effect any such cure, repurchase or substitution. If the mortgage loan seller fails to fulfill such obligation, you could experience cash flow disruptions or losses on your certificates, subject to the Freddie Mac Guarantee. In addition, the mortgage loan seller may have various legal defenses available to it in connection with a cure, repurchase or substitution obligation.

**The Mortgage Loan Seller May Become Subject to Receivership Laws That May Affect the Issuing Entity's Ownership of the Underlying Mortgage Loans.** In the event of the receivership of the mortgage loan seller, it is possible the issuing entity's right to payment resulting from ownership of the underlying mortgage loans could be challenged, and if such challenge were successful, delays or reductions in payments on the certificates could occur. See “—Risks Relating to the Mortgage Loan Seller and Guarantor” below and “Description of the Mortgage Loan Seller and Guarantor” in this information circular.

**One Action Rules May Limit Remedies.** Several states, including California, have laws that prohibit more than one “judicial action” to enforce a mortgage obligation, and some courts have construed the term “judicial action” broadly. Accordingly, the special servicer is required to obtain advice of counsel prior to enforcing any of the issuing entity's legal rights under any of the underlying mortgage loans that are secured by mortgaged real properties located where the “one action” rules could be applicable. In the case of an underlying mortgage loan that is secured by mortgaged real properties located in multiple states, the special servicer may be required to foreclose first on properties located in states where the “one action” rules apply, and where non-judicial foreclosure is permitted, before foreclosing on properties located in states where judicial foreclosure is the only permitted method of foreclosure.

**Tax Considerations Related to Foreclosure.** If the special servicer on behalf of the issuing entity were to acquire beneficial ownership, on behalf of the issuing entity and the certificateholders, of a mortgaged real property by foreclosure, deed in lieu of foreclosure, or otherwise, following an event of default under an underlying mortgage loan, the certificateholders would be treated as beneficial owners of the applicable mortgaged real property for United States tax purposes. In that event, certificateholders will have federal income tax consequences different than the consequences of owning beneficial interests in the related underlying mortgage loan. For example, beneficial ownership of the applicable mortgaged real properties could result in different timing and character of income, gain, deductions and loss. Moreover, certificateholders that are real estate investment trusts as defined in section 856(a) of the Code (“REITs”) may have income that does not qualify for purposes of the REIT income tests, and tax-exempt investors may have unrelated business taxable income. Certificateholders who are non-U.S. persons may be treated as engaged in a trade or business within the United States and would be subject to United States tax return filing requirements and federal income tax, including, if applicable, branch profits tax, with respect to the applicable mortgaged real properties under the general rules of the Code relating to ownership of real property.

Holders of certificates who are non-U.S. persons would be considered to hold beneficial ownership of a “United States Real Property Interest” and could be subject to United States taxation not only upon the disposition of the applicable mortgaged real properties, but upon the disposition of the certificates as well pursuant to section 897 of the Code. Furthermore, in the case of any individual certificateholder who is a non-U.S. person or entity, the value of such interest might be subject to United States estate tax at the time of the certificateholder's death. Alternatively, non-U.S. persons could be subject to withholding at the rate of 30% on their share of gross income from the applicable mortgaged real property.

The operation of the rules affecting ownership of United States real property are complex, particularly in the case of non-corporate, REIT and tax-exempt certificateholders and certificateholders who are non-U.S. persons, and accordingly prospective purchasers of certificates should consult their tax advisors regarding the consequences of foreclosure. See “Certain Federal Income Tax Consequences” in this information circular.

***Changes in Tax Law; No Gross Up in Respect of the Certificates.*** Although no withholding tax is currently imposed on the payments of interest on or principal of the offered certificates in respect of the mortgage loans to a holder of such certificates that provides the appropriate forms and documentation to the trustee or the certificate administrator and with respect to whom interest on the mortgage loans is “portfolio interest,” we cannot assure you that, as a result of any change in any applicable law, treaty, rule or regulation, or interpretation of any applicable law, treaty, rule or regulation, the payments on the offered certificates in respect of the mortgage loans would not in the future become subject to withholding taxes. To the extent that any withholding tax is imposed on payments of interest or other payments on any offered certificates, none of the borrower, the issuing entity or Freddie Mac, in its capacity as Guarantor or otherwise, has an obligation to make any “gross-up” payments to certificateholders in respect of such taxes and such withholding tax would therefore result in a shortfall to affected certificateholders.

***Changes to Grantor Trust Restrictions on Loan Modifications May Impact an Investment in the Certificates.*** The IRS has issued written guidance increasing the flexibility of a servicer to modify a commercial mortgage loan held in a grantor trust by interpreting the circumstances when default is “reasonably foreseeable” to include a situation where the servicer reasonably believes that there is a “significant risk of default” with respect to the underlying mortgage loans upon maturity of an underlying mortgage loan or at an earlier date, and that by making such modification the risk of default is substantially reduced. Accordingly, if the master servicer or the special servicer, as applicable, determined that an underlying mortgage loan was at significant risk of default and permitted one or more modifications otherwise consistent with the terms of the Pooling and Servicing Agreement, any such modification may impact the timing and ultimate recovery on such underlying mortgage loan, and likewise on one or more classes of certificates.

In addition, IRS Notice 2009-79 states that the IRS is considering relaxing certain of the restrictions imposed on modifications of commercial mortgage loans held by a grantor trust relating to the collateral, credit enhancement and recourse features of commercial mortgage loans to permit those modifications permitted by final regulations relating to mortgage loans held by real estate mortgage investment conduits (“REMICs”). If the IRS were to adopt rules similar to the REMIC rules for grantor trusts, subject to any restrictions in the Pooling and Servicing Agreement, the master servicer or the special servicer, as applicable, would have greater flexibility to modify the collateral, credit enhancement and recourse features of the underlying mortgage loans which could ultimately impact the timing and ultimate recovery on an underlying mortgage loan, and likewise on one or more classes of certificates.

## Risks Related to the Offered Certificates

***The Issuing Entity's Assets May Be Insufficient to Allow for Repayment in Full on the Offered Certificates.*** The offered certificates do not represent obligations of any person or entity and do not represent a claim against any assets other than those of the issuing entity. Other than as described under “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular, no governmental agency or instrumentality will guarantee or insure payment on the offered certificates. In addition, neither we nor our affiliates are responsible for making payments on the offered certificates if collections on the underlying mortgage loans are insufficient. If the underlying mortgage loans are insufficient to make payments on the offered certificates, other than as described under “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular, no other assets will be available to you for payment of the deficiency, and you will bear the resulting loss. Any advances made by the master servicer or other party with respect to the underlying mortgage loans are intended

solely to provide liquidity and not credit support. The party making those advances will have a right to reimbursement, with interest, which is senior to your right to receive payment on the offered certificates. The offered certificates are entitled to distributions attributable to amounts collected on the underlying mortgage loans included in the related Loan Group, and are not entitled to any distributions with respect to the underlying mortgage loans in the other Loan Group.

**Credit Support Is Limited and May Not Be Sufficient to Prevent Loss on the Offered Certificates.** Any use of credit support will be subject to the conditions and limitations described in this information circular and may not cover all potential losses or risks.

The Freddie Mac Guarantee is intended to provide credit enhancement to the offered certificates as described in this information circular by increasing the likelihood that holders of the offered certificates will receive (i) timely payments of interest, (ii) payment of principal to holders of the Principal Balance Certificates in the related Certificate Group, on or before the distribution date immediately following the maturity date of each underlying mortgage loan in the related Loan Group, (iii) reimbursement of Realized Losses and any Additional Issuing Entity Expenses allocated to the Principal Balance Certificates in the related Certificate Group and (iv) ultimate payment of principal by the Assumed Final Distribution Date to the holders of the Principal Balance Certificates. If, however, Freddie Mac were to experience significant financial difficulties, or if the Conservator placed Freddie Mac in receivership and Freddie Mac's guarantee was repudiated as described in "—Risks Relating to the Mortgage Loan Seller and Guarantor" below, the credit enhancement provided by the Freddie Mac Guarantee may be insufficient and the holders of offered certificates may suffer losses as a result of the various contingencies described in this "Risk Factors" section and elsewhere in this information circular. See "Description of the Certificates—Distributions—Freddie Mac Guarantee" in this information circular for a detailed description of the Freddie Mac Guarantee. The offered certificates are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. When making an investment decision, you should consider, among other things, the characteristics and quality of the underlying mortgage loans.

**The Offered Certificates Have Uncertain Yields to Maturity.** If you purchase Principal Balance Certificates in either Certificate Group at a premium, and if payments and other collections of principal on the underlying mortgage loans in the related Loan Group occur at a rate faster than you anticipated at the time of your purchase, then your actual yield to maturity may be lower than you had assumed at the time of your purchase. Conversely, if you purchase Principal Balance Certificates in any Certificate Group at a discount, and if payments and other collections of principal on the underlying mortgage loans in the related Loan Group occur at a rate slower than you anticipated at the time of your purchase, then your actual yield to maturity may be lower than you had assumed at the time of your purchase.

The yield to maturity on the class A-G1 and A-G2 certificates will be highly sensitive to changes in the levels of LIBOR such that decreasing levels of LIBOR will have a negative effect on the yield to maturity of the holders of such certificates. In addition, prevailing market conditions may increase the interest rates or, after the loan reset dates for the underlying mortgage loans in the related Loan Group, interest rate margins above LIBOR, as applicable, at which comparable securities are being offered, which would cause the class A-G1 and A-G2 certificates to decline in value. Investors in the class A-G1 and A-G2 certificates should consider the risk that lower than anticipated levels of LIBOR could result in lower yield to investors than the anticipated yield and the risk that higher market interest rate margins above LIBOR could result in a lower value of the class A-G1 and A-G2 certificates. See "—Changes to, or Elimination of, LIBOR Could Adversely Affect Your Investment in the Offered Certificates" above.

The yield on the class A-G1 and A-G2 certificates could also be adversely affected if, after the loan reset dates, underlying mortgage loans with higher interest rates or, after the loan reset dates for the underlying mortgage loans in the related Loan Group, interest rate margins over LIBOR, pay principal faster than underlying mortgage loans with lower interest rate or interest rate margins over LIBOR, as applicable. Since the class A-G1 and A-G2 certificates bear interest at a rate limited by the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group minus the Guarantee Fee Rate, the pass-through rate on the class A-G1 and A-G2 certificates may be limited by that pass-through rate cap, even if principal prepayments do not occur. See "Description of the Certificates Distributions—Interest Distributions" in this information circular.

The pass-through rate for the class X-G1 and X-G2 certificates is calculated based on the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group. As a result, the pass-through rate (and, accordingly, the yield to maturity) on the class X-G1 and X-G2 certificates could be adversely affected if underlying mortgage loans with higher interest rates or, after the loan reset dates for the underlying mortgage loans in the related Loan Group, interest rate margins over LIBOR, experience a faster rate of principal payment than underlying mortgage loans after the loan reset dates with lower interest rates or interest rate margins over LIBOR, as applicable. This means that the yield to maturity on the class X-G1 and X-G2 certificates will be sensitive to changes in the relative composition of the mortgage pool as a result of scheduled amortization, voluntary and involuntary prepayments and liquidations of the underlying mortgage loans following default. The Weighted Average Net Mortgage Pass-Through Rate will not be affected by modifications, waivers or amendments with respect to the underlying mortgage loans, except for any modifications, waivers or amendments that increase the mortgage interest rate.

If you purchase the class X-G1 or X-G2 certificates, your yield to maturity will be particularly sensitive to the rate and timing of principal payments on the underlying mortgage loans in the related Loan Group and the extent to which those amounts are applied to reduce the notional amount of the class X-G1 certificates. Each distribution of principal in reduction of the principal balance of the Principal Balance Certificates will result in a reduction in the notional amount of the class X-G1 and X-G2 certificates. Your yield to maturity may also be adversely affected by—

- the repurchase of any underlying mortgage loans in the related Loan Group by the mortgage loan seller in connection with a material breach of a representation and warranty or a material document defect, as described under “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular;
- the purchase of a Defaulted Loan in the related Loan Group by Freddie Mac or the holder of any subordinate debt or mezzanine debt pursuant to its purchase option under the related intercreditor agreement;
- the timing of defaults and liquidations of underlying mortgage loans in the related Loan Group; and
- the retirement of the related Certificate Group, as described under “The Pooling and Servicing Agreement—Retirement” in this information circular.

Prior to investing in the class X-G1 or X-G2 certificates, you should fully consider the associated risks, including the risk that an extremely rapid rate of amortization, prepayments and/or liquidations on or with respect to the underlying mortgage loans in the related Loan Group could result in your failure to recover fully your initial investment. See “Yield and Maturity Considerations—Yield Sensitivity of the Class X-G1 and X-G2 Certificates” in this information circular.

In addition, the amount payable to the class X-G1 certificates will vary with changes in the outstanding principal balance of the class A-G1 certificates. The amount payable to the class X-G2 certificates will vary with changes in the outstanding principal balance of the class A-G2 certificates. The class X-G1 and X-G2 certificates will be adversely affected if underlying mortgage loans in the related Loan Group with relatively high mortgage interest rates experience a faster rate of principal payments than underlying mortgage loans in the related Loan Group with relatively low mortgage interest rates.

Generally, a borrower is less likely to prepay if prevailing interest rates are at or above the interest rate borne by its mortgage loan. On the other hand, a borrower is more likely to prepay if prevailing rates fall significantly below the interest rate borne by its mortgage loan. Borrowers are less likely to prepay mortgage loans with Yield Maintenance Charge provisions or Static Prepayment Premium provisions, to the extent enforceable, than otherwise identical mortgage loans without these provisions or with lower or no Yield Maintenance Charges or Static Prepayment Premiums. But see “—The Underlying Mortgage Loans May Experience a Higher Than Expected Rate of Prepayment Due to the Right of a Majority of Holders of Class X-G1 and X-G2 Certificates to Cause the Waiver of Static Prepayment Premiums or Yield Maintenance Charges and Due to Limited Prepayment Protection” below. None of the master servicer, the special servicer or any sub-servicer will be required to advance and the Freddie Mac Guarantee does not cover any Yield Maintenance Charges, Static Prepayment Premiums or other prepayment premiums for the offered certificates.

Delinquencies on the underlying mortgage loans in either Loan Group, if the delinquent amounts are not advanced, may result in shortfalls in distributions of interest and/or principal to the holders of the related Loan Group Certificates for the current month (although such shortfalls may be covered under the Freddie Mac Guarantee). Furthermore, no interest will accrue on this shortfall during the period of time that the payment is delinquent. Even if losses on the underlying mortgage loans are not allocated to the Principal Balance Certificates, the losses may affect the weighted average lives and yields to maturity of the Principal Balance Certificates. Losses in a Loan Group may affect the weighted average life and yield to maturity of the related class of Principal Balance Certificates. Losses on the underlying mortgage loans in either Loan Group may result in a higher percentage ownership interest evidenced by those Principal Balance Certificates in the remaining underlying mortgage loans in the related Loan Group than would otherwise have resulted absent the loss. The consequent effect on the weighted average lives and yields to maturity of the offered certificates will depend on the characteristics of the remaining underlying mortgage loans in the related Loan Group. If defaults are material and non-monetary, the special servicer may still accelerate the maturity of the underlying mortgage loan which could result in an acceleration of payments to the certificateholders in the related Certificate Group.

Shortfalls in the Available Distribution Amount with respect to each Certificate Group resulting from Net Aggregate Prepayment Interest Shortfalls with respect to the related Loan Group will generally be allocated to both classes of certificates in such Certificate Group, on a pro rata basis, based on interest accrued. However, such shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee. See “Description of the Certificates—Distributions—Interest Distributions” in this information circular.

Provisions requiring prepayment premiums or charges may not be enforceable in some states and under federal bankruptcy law, and may constitute interest for usury purposes. Accordingly, we cannot assure you that the obligation to pay a Yield Maintenance Charge or Static Prepayment Premium will be enforceable or, if enforceable, that the foreclosure proceeds will be sufficient to pay the Yield Maintenance Charge or Static Prepayment Premium in connection with an involuntary prepayment. In general, Yield Maintenance Charges and Static Prepayment Premiums will be among the last items payable out of foreclosure proceeds. Any failure to collect Static Prepayment Premiums will result in a reduction of the amounts distributed to the class X-G1 and X-G2 certificates, and the Freddie Mac Guarantee will not cover any such reduction.

See “Yield and Maturity Considerations” in this information circular.

***The Underlying Mortgage Loans May Experience a Higher Than Expected Rate of Prepayment Due to the Right of a Majority of Holders of Class X-G1 and X-G2 Certificates to Cause the Waiver of Static Prepayment Premiums or Yield Maintenance Charges and Due to Limited Prepayment Protection.*** Pursuant to the Pooling and Servicing Agreement, certificateholders representing a majority, by the outstanding notional amount, of the class X-G1 or X-G2 certificates, as applicable, will have the right, in their sole discretion, to direct the master servicer or the special servicer, as applicable, to waive any obligation of the related borrower to pay a Yield Maintenance Charge or Static Prepayment Premium, as applicable, in connection with any prepayment of any underlying mortgage loan in the related Loan Group. Freddie Mac, as the initial certificateholder of all of the class X-G1 and X-G2 certificates, has indicated that the likelihood of its waiver of a Yield Maintenance Charge or Static Prepayment Premium would increase in certain circumstances, such as if the prepayment is made in connection with a refinancing of an underlying mortgage loan that meets certain conditions. Borrowers have an incentive to prepay the underlying mortgage loans if they are not required to pay a Yield Maintenance Charge or Static Prepayment Premium in connection with such a prepayment. As a result, the underlying mortgage loans may experience a higher than expected rate of prepayment, which may adversely affect the yield to maturity of the offered certificates. See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions” in this information circular.

***Optional Early Termination of the Issuing Entity May Result in an Adverse Impact on Your Yield or May Result in a Loss.*** The certificates will be subject to optional early retirement by means of the purchase of the underlying mortgage loans and/or REO Properties in the related Loan Group in the issuing entity at the time and for the price described in “The Pooling and Servicing Agreement—Retirement” in this information circular. We cannot assure you that the proceeds from a sale of the underlying mortgage loans and/or REO Properties in the related Loan Group will be sufficient to distribute the outstanding certificate balance plus accrued interest and any undistributed shortfalls in interest accrued on the related Certificate Group that are subject to the retirement. Accordingly, the holders of certificates affected by such a retirement may suffer an adverse impact on the overall yield on their

certificates, may experience repayment of their investment at an unpredictable and inopportune time or may even incur a loss on their investment, subject to the Freddie Mac Guarantee in the case of the offered certificates. See “The Pooling and Servicing Agreement—Retirement” in this information circular.

***Commencing Legal Proceedings Against Parties to the Pooling and Servicing Agreement May Be Difficult.***

The trustee may not be required to commence legal proceedings against third parties at the direction of Freddie Mac unless, among other conditions, Freddie Mac offers indemnification satisfactory to the trustee. Freddie Mac, in its capacity as a certificateholder, may not commence legal proceedings itself with respect to the Pooling and Servicing Agreement or the certificates unless the trustee has refused to institute proceedings after the conditions described in the preceding sentence have been satisfied. These provisions may limit your personal ability to enforce the provisions of the Pooling and Servicing Agreement.

***The Limited Nature of Ongoing Information May Make It Difficult for You to Resell the Certificates.*** The primary source of ongoing information regarding your certificates, including information regarding the status of the related underlying mortgage loans, will be the periodic reports delivered by the certificate administrator described under the heading “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this information circular. We cannot assure you that any additional ongoing information regarding your certificates will be available through any other source. In addition, the depositor is not aware of any source through which price information about the certificates will be generally available on an ongoing basis. The limited nature of the information regarding the certificates may adversely affect the liquidity of the offered certificates, even if a secondary market for the certificates is available. There will have been no secondary market for the certificates prior to this offering. We cannot assure you that a secondary market will develop or, if it does develop, that it will provide you with liquidity of investment or continue for the life of the offered certificates. The market value of the certificates will fluctuate with changes in prevailing rates of interest or other credit related market changes. Consequently, the sale of the certificates in any market that may develop may be at a discount from the related par value or purchase price. In addition, we have not engaged any NRSRO to rate any class of certificates. The absence of ratings may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, the certificates.

***The Right of the Master Servicer and the Trustee to Receive Interest on Advances May Result in Additional Losses to the Issuing Entity.*** The master servicer and the trustee will each be entitled to receive interest on unreimbursed advances made by it. This interest will generally accrue from the date on which the related advance is made through the date of reimbursement. In addition, under certain circumstances, including a default by the borrower in the payment of principal and interest on an underlying mortgage loan, that underlying mortgage loan will become specially serviced and the special servicer will be entitled to compensation for performing special servicing functions pursuant to the related governing document(s). The right to receive these distributions of interest and compensation is senior to the rights of holders to receive distributions on the offered certificates and, consequently, may result in losses being allocated to the offered certificates that would not have resulted absent the accrual of this interest.

***Insolvency Proceedings with Respect to the Master Servicer, the Special Servicer, the Trustee or the Certificate Administrator May Adversely Affect Collections on the Underlying Mortgage Loans and the Ability to Replace the Master Servicer, the Special Servicer, the Trustee or the Certificate Administrator.*** The master servicer, the special servicer, the trustee or the certificate administrator for the certificates may be eligible to become a debtor under the United States Bankruptcy Code or enter into receivership under the Federal Deposit Insurance Act or, in the case of Freddie Mac, be placed into receivership by FHFA. Should this occur, although the issuing entity may be entitled to the termination of any such party, such provision may not be enforceable. An assumption under the Bankruptcy Code of its responsibilities under the Pooling and Servicing Agreement would require any Third Party Master Servicer, any Third Party Special Servicer, the trustee or the certificate administrator to cure its pre-bankruptcy defaults, if any, and demonstrate that it is able to perform following assumption. The impact of insolvency by an entity governed by state insolvency law would vary depending on the laws of the particular state. We cannot assure you that a bankruptcy or receivership of the master servicer, the special servicer, the trustee or the certificate administrator would not adversely impact the servicing or administration of the underlying mortgage loans or that the issuing entity would be entitled to terminate any such party in a timely manner or at all.

If the master servicer, the special servicer, the trustee or the certificate administrator becomes the subject of bankruptcy, receivership or similar proceedings, claims by the issuing entity to funds in the possession of the master

servicer, the special servicer, the trustee or the certificate administrator at the time of the bankruptcy filing or other similar filing may not be perfected due to the circumstances of any bankruptcy or similar proceedings. In this event, funds available to pay principal and interest on the certificates may be delayed or reduced.

***Inability to Replace the Master Servicer Could Affect Collections and Recoveries on the Mortgage Loans.***

The structure of the master servicing fee and master servicer surveillance fee payable to the master servicer might affect the ability of the trustee to find a replacement master servicer. Although the trustee is required to replace the master servicer if the master servicer is terminated or resigns, if the trustee is unwilling (including for example because the master servicing fee and master servicer surveillance fee are insufficient) or unable (including for example, because the trustee does not have the computer systems required to service mortgage loans), it may be necessary to appoint a replacement master servicer. Because the master servicing fee and master servicer surveillance fee are structured as a percentage of the Stated Principal Balance of each underlying mortgage loan, it may be difficult to replace the master servicer at a time when the balance of the underlying mortgage loans has been significantly reduced because the fees may be insufficient to cover the costs associated with servicing the underlying mortgage loans and/or related REO Properties remaining in the mortgage pool. The performance of the underlying mortgage loans may be negatively impacted, beyond the expected transition period during a servicing transfer, if a replacement master servicer is not retained within a reasonable amount of time.

***The Terms of the Underlying Mortgage Loans Will Affect Payments on the Offered Certificates.*** Each of the underlying mortgage loans will specify the terms on which the related borrower must repay the outstanding principal amount of the underlying mortgage loan. The rate, timing and amount of scheduled payments of principal may vary, and may vary significantly, from underlying mortgage loan to underlying mortgage loan. The rate at which the underlying mortgage loans in either Loan Group amortize will directly affect the rate at which the principal balance or notional amount of the related Loan Group Certificates is paid down or otherwise reduced.

In addition, the underlying mortgage loans may permit the related borrower during some of the loan term to prepay the loan. In general, a borrower will be more likely to prepay its mortgage loan when it has an economic incentive to do so, such as obtaining a larger loan on the same mortgaged real property or a lower or otherwise more advantageous interest rate through refinancing. If an underlying mortgage loan includes some form of prepayment restriction, the likelihood of prepayment should decline. These restrictions may include an absolute or partial prohibition against voluntary prepayments during some of the loan term, during which voluntary principal prepayments are prohibited or a requirement that voluntary prepayments made during a specified period of time be accompanied by a Static Prepayment Premium or Yield Maintenance Charge.

With respect to all of the underlying mortgage loans in each Loan Group, the related borrower has the right to release the related mortgaged real property from the lien of the related underlying mortgage loan and any applicable cross-collateralization agreement upon the satisfaction of certain conditions, as described under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Releases” in this information circular.

In certain instances, however, there will be no restriction associated with the application of insurance proceeds or condemnation proceeds as a prepayment of principal. See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Release of Property Through Prepayment” in this information circular.

In addition, Hybrid ARM underlying mortgage loans may be subject to higher prepayment rates as the date on which they are scheduled to start accruing interest at an adjustable rate approaches. As a Hybrid ARM underlying mortgage loan approaches its initial loan reset date, the borrower may become more likely to refinance that loan to avoid an increase in the mortgage rate, even if prevailing fixed rate mortgage loans are only available at rates that are slightly higher than the mortgage interest rate before adjustment.

***The Terms of the Underlying Mortgage Loans Do Not Provide Absolute Certainty as Regards the Rate, Timing and Amount of Payments on the Offered Certificates.*** The amount, rate and timing of payments and other collections on the underlying mortgage loans will be unpredictable because of possible borrower defaults and prepayments on the underlying mortgage loans and possible casualties or condemnations with respect to the mortgaged real properties.

The investment performance of the offered certificates in each Certificate Group may vary materially and adversely from your expectations due to—

- the rate of prepayments and other unscheduled collections of principal on the underlying mortgage loans in the related Loan Group being faster or slower than you anticipated;
- the rate of defaults on the underlying mortgage loans in the related Loan Group being faster, or the severity of losses on the underlying mortgage loans in the related Loan Group being greater, than you anticipated;
- the actual net cash flow for the underlying mortgage loans in the related Loan Group being different than the underwritten net cash flow for the underlying mortgage loans in the related Loan Group as presented in this information circular; or
- the debt service coverage ratios for the underlying mortgage loans in the related Loan Group as set forth in the related loan documents being different than the debt service coverage ratios for the underlying mortgage loans in the related Loan Group as presented in this information circular.

The actual yield to you, as a holder of an offered certificate, may not equal the yield you anticipated at the time of your purchase, and the total return on investment that you expected may not be realized. In deciding whether to purchase any offered certificates, you should make an independent decision as to the appropriate prepayment, default and loss assumptions to be used.

See “Yield and Maturity Considerations” in this information circular.

***Prepayments on the Underlying Mortgage Loans Will Affect the Average Lives of the Offered Certificates; and the Rate and Timing of Those Prepayments May Be Highly Unpredictable.*** Payments of principal and/or interest on the offered certificates in each Certificate Group will depend on, among other things, the rate and timing of payments on the underlying mortgage loans in the related Loan Group. Prepayments on the underlying mortgage loans in either Loan Group may result in a faster rate of principal payments on the Principal Balance Certificates in the related Certificate Group, thereby resulting in a shorter average life for the offered certificates in such Certificate Group than if those prepayments had not occurred. The rate and timing of principal prepayments on pools of mortgage loans is influenced by a variety of economic, demographic, geographic, social, tax and legal factors. Although many of the underlying mortgage loans provide for prepayment lockout periods which cover a substantial portion of the loan terms, prepayments may still occur during such periods as a result of a casualty or condemnation event. In addition, prepayments may occur in connection with a release of a mortgaged real property securing a cross-collateralized mortgage loan or in connection with a permitted partial release of a mortgaged real property. See “Risk Factors—Risks Related to the Underlying Mortgage Loans—All of the Underlying Mortgage Loans Are Secured by Multifamily Rental Properties, Thereby Materially Exposing Offered Certificateholders to Risks Associated with the Performance of Multifamily Rental Properties,” “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions” and “—Permitted Releases” in this information circular.

In addition, any repurchase of an underlying mortgage loan by the mortgage loan seller due to a defect or breach of a representation or warranty will have the same effect as a prepayment of such underlying mortgage loan. See “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular.

Accordingly, we cannot predict the rate and timing of principal prepayments on the underlying mortgage loans. As a result, repayment of the offered certificates in either Certificate Group could occur significantly earlier or later, and the average life of the offered certificates could be significantly shorter or longer, than you expected.

***Potential Conflicts of Interest of the Mortgage Loan Seller, the Depositor and the Depositor’s Affiliates.*** The mortgage loan seller and certain of the depositor’s affiliates own, lease or manage a number of properties other than the mortgaged real properties and may acquire additional properties in the future. Such other properties, similar to other third-party owned real estate, may compete with the mortgaged real properties for existing and potential tenants. We cannot assure you that the activities of the mortgage loan seller or the depositor’s affiliates with respect to such other properties will not adversely impact the performance of the mortgaged real properties.

The mortgage loan seller may also have ongoing relationships with the borrowers under the underlying mortgage loans. If any of the underlying mortgage loans are refinanced, the mortgage loan seller may purchase the refinanced loan. The mortgage loan seller may be influenced by its desire to maintain good ongoing relationships with the borrowers.

The mortgage loan seller, the depositor and the depositor's affiliates (including one of the placement agents of the SPCs) may benefit from this offering in a number of ways, some of which may be inconsistent with the interests of purchasers of the certificates. The mortgage loan seller, the depositor and their affiliates may benefit from a completed offering of the certificates because the offering would establish a market precedent and a valuation data point for securities similar to the certificates, thus enhancing the ability of the mortgage loan seller, the depositor and their affiliates to conduct similar offerings in the future and permitting them to write up, avoid writing down or otherwise adjust the fair value of the underlying mortgage loans or other similar loans or securities held on their balance sheet.

Each of these relationships should be considered carefully by you before you invest in any of the certificates.

**Potential Conflicts of Interest of the Placement Agents and Their Affiliates.** We expect that Freddie Mac will include the offered certificates in pass-through pools that it will form in connection with the issuance of its SPCs, which we expect Freddie Mac will offer to investors through placement agents. The activities of those placement agents and their respective affiliates (collectively, the "Placement Agent Entities") may result in certain conflicts of interest. The Placement Agent Entities may retain, or own in the future, classes of the SPCs or certificates and any voting rights of those classes could be exercised by any such Placement Agent Entity in a manner that could adversely impact one or more classes of the SPCs or one or more classes of certificates. If that were to occur, that Placement Agent Entity's interests may not be aligned with the interests of the holders of the SPCs or certificates.

The Placement Agent Entities include broker-dealers whose businesses include executing securities and derivative transactions on their own behalf as principals and on behalf of clients. As such, they actively make markets in and trade financial instruments for their own accounts and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. The Placement Agent Entities' activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. The securities and instruments in which the Placement Agent Entities take positions, or expect to take positions, include loans similar to the underlying mortgage loans, securities and instruments similar to the SPCs and the certificates, and other securities and instruments. Market making is an activity where the Placement Agent Entities buy and sell on behalf of customers, or for their own accounts, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, you should expect that the Placement Agent Entities will take positions that are inconsistent with, or adverse to, the investment objectives of investors in one or more classes of SPCs or one or more classes of certificates.

As a result of the Placement Agent Entities' various financial market activities, including acting as a research provider, investment advisor, market maker or principal investor, you should expect that personnel in various businesses throughout the Placement Agent Entities will have and express research or investment views and make recommendations that are inconsistent with, or adverse to, the objectives of investors in one or more classes of SPCs or one or more classes of certificates.

To the extent a Placement Agent Entity makes a market in the SPCs or certificates (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the SPCs or certificates. The price at which a Placement Agent Entity may be willing to purchase the SPCs or certificates, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the SPCs or certificates and significantly lower than the price at which it may be willing to sell the SPCs or certificates.

In addition, the Placement Agent Entities will have no obligation to monitor the performance of the SPCs, the certificates or the actions of the master servicer, the special servicer, the certificate administrator, the trustee or Freddie Mac, and will have no authority to advise the master servicer, the special servicer, the certificate administrator, the trustee or Freddie Mac or to direct their actions. Furthermore, the Placement Agent Entities may

have ongoing relationships with, render services to, and engage in transactions with the borrowers, the sponsors of the borrowers and their respective affiliates, which relationships and transactions may create conflicts of interest between the Placement Agent Entities, on the one hand, and the issuing entity, on the other hand.

Furthermore, the Placement Agent Entities expect that a completed offering will enhance their ability to assist clients and counterparties in the transaction or in related transactions (including assisting clients in additional purchases and sales of the certificates and hedging transactions). The Placement Agent Entities expect to derive fees and other revenues from these transactions. In addition, participating in a successful offering and providing related services to clients may enhance the Placement Agent Entities' relationships with various parties, facilitate additional business development, and enable them to obtain additional business and generate additional revenue.

Morgan Stanley & Co. LLC, one of the placement agents for the SPCs is also an affiliate of the depositor. Each of these relationships should be considered carefully before making an investment in any class of SPCs or any class of certificates.

***Your Lack of Control Over the Issuing Entity Can Adversely Impact Your Investment.*** Except as described below, investors in the certificates do not have the right to make decisions with respect to the administration of the issuing entity. These decisions are generally made, subject to the express terms of the Pooling and Servicing Agreement, by the master servicer, the special servicer, the certificate administrator and the trustee. Any decision made by any of those parties in respect of the issuing entity in accordance with the terms of the Pooling and Servicing Agreement, even if it determines that decision to be in your best interests, may be contrary to the decision that you would have made and may negatively affect your interests.

However, Freddie Mac or its designee has the right to exercise various rights and powers in respect of each Loan Group as described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans” and “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” in this information circular.

In addition, investors in the certificates will not have any right to notify the trustee of any breach by Freddie Mac, as master servicer and special servicer, of any of its representations, covenants or obligations under the Pooling and Servicing Agreement, nor will certificateholders have the right to replace Freddie Mac as master servicer or special servicer following any event of default if the trustee fails to take such action. Further, Freddie Mac will have the ability to waive any events of default of the master servicer or the special servicer in its sole discretion. See “The Pooling and Servicing Agreement—Events of Default” and “—Rights Upon Event of Default” in this information circular. Freddie Mac will exercise its rights and powers on behalf of itself and may exercise such rights and powers in ways that may not be in your best interests. See “—The Interests of Freddie Mac May Be in Conflict with the Interests of the Offered Certificateholders” below in this information circular.

***The Interests of Freddie Mac May Be in Conflict with the Interests of the Offered Certificateholders.*** Any advice provided by Freddie Mac (in its capacity as servicing consultant or otherwise) may conflict with the interests of one or more classes of certificateholders. In addition, Freddie Mac or its designees (or any Junior Loan Holder that is a transferee of Freddie Mac) have the right to exercise the various rights and powers in respect of the related Loan Group described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans” in this information circular. You should expect that Freddie Mac or its designees will exercise those rights and powers on behalf of itself, and it will not be liable to any certificateholders for doing so. See “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this information circular.

In addition, subject to the conditions described under “The Pooling and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” in this information circular, Freddie Mac will be entitled to terminate the rights of any Third Party Special Servicer and to appoint a successor Special Servicer.

***The Volatile Economy and Credit Disruptions May Adversely Affect the Value and Liquidity of Your Investment.*** In recent years, the real estate and securitization markets, including the market for commercial and multifamily mortgage-backed securities (“CMBS”), as well as global financial markets and the economy generally, experienced significant dislocations, illiquidity and volatility and thus affected the values of such CMBS. We cannot assure you that another dislocation in CMBS will not occur.

Any economic downturn may adversely affect the financial resources of borrowers and may result in the inability of borrowers to make principal and interest payments on, or to refinance, their underlying mortgage loans when due or to sell their mortgaged real properties for an amount sufficient to pay off such underlying mortgage loans when due. In the event of default by any borrower, the issuing entity may suffer a partial or total loss with respect to the related underlying mortgage loan. Any delinquency or loss on any underlying mortgage loan would have an adverse effect on the distributions of principal and interest received by certificateholders.

***Other Events or Circumstances May Affect the Value and Liquidity of Your Investment.*** The value and liquidity of your investment in the certificates may be affected by general economic conditions and financial markets, as well as the following events or circumstances:

- wars, revolts, terrorist attacks, armed conflicts, energy supply or price disruptions, political crises, natural disasters, civil unrest and/or protests and man-made disasters may have an adverse effect on the mortgaged real properties and/or the certificates;
- defaults on the underlying mortgage loans may occur in large concentrations over a period of time, which might result in rapid declines in the value of the certificates;
- although all of the underlying mortgage loans were recently underwritten and originated, the values of the mortgaged real properties may have declined since the related underlying mortgage loans were originated and may decline following the issuance of the certificates and such declines may be substantial and occur in a relatively short period following the issuance of the certificates; and such declines may occur for reasons largely unrelated to the circumstances of the particular mortgaged real property;
- if the underlying mortgage loans default, then the yield on your investment may be substantially reduced notwithstanding that Liquidation Proceeds may be sufficient to result in the repayment of the principal of and accrued interest on the offered certificates; an earlier than anticipated repayment of principal (even in the absence of losses) in the event of a default in advance of the maturity date would tend to shorten the weighted average period during which you earn interest on your investment; and a later than anticipated repayment of principal (even in the absence of losses) in the event of a default upon the maturity date would tend to delay your receipt of principal and the interest on your investment may be insufficient to compensate you for that delay;
- even if Liquidation Proceeds received on Defaulted Loans are sufficient to cover the principal and accrued interest on those underlying mortgage loans, the issuing entity may experience losses in the form of special servicing fees and other expenses, and you may bear losses as a result, or your yield may be adversely affected by such losses;
- the time periods to resolve Defaulted Loans may be long, and those periods may be further extended because of borrower bankruptcies and related litigation; this may be especially true in the case of loans made to borrowers that have, or whose affiliates have, substantial debts other than the underlying mortgage loan, including subordinate or mezzanine financing;
- trading activity associated with indices of CMBS may drive spreads on those indices wider than spreads on CMBS, thereby resulting in a decrease in the value of such CMBS, including the offered certificates, and spreads on those indices may be affected by a variety of factors, and may or may not be affected for reasons involving the commercial and multifamily real estate markets and may be affected for reasons that are unknown and cannot be discerned;
- if you determine to sell the certificates, you may be unable to do so or you may be able to do so only at a substantial discount from the price you paid; this may be the case for reasons unrelated to the then-current performance of the certificates or the underlying mortgage loans; and this may be the case within a relatively short period following the issuance of the certificates; and
- even if CMBS are performing as anticipated, the value of such CMBS in the secondary market may nevertheless decline as a result of a deterioration in general market conditions for other asset-backed securities or structured products, and you may be required to report declines in the value of the certificates, and/or record losses, on your financial statements or regulatory or supervisory reports, and/or repay or post additional collateral for any secured financing, hedging arrangements or other financial transactions that

you are entering into that are backed by or make reference to the certificates, in each case as if the certificates were to be sold immediately.

***Legal and Regulatory Provisions Affecting Investors Could Adversely Affect the Liquidity of Your Investment.*** We make no representation as to the proper characterization of the certificates for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the certificates under applicable legal investment or other restrictions or as to the consequences of an investment in the certificates for such purposes or under such restrictions. Changes in federal banking and securities laws and other laws and regulations may have an adverse effect on issuers, investors, or other participants in the asset-backed securities markets including the CMBS market. While the general effects of such changes are uncertain, regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire CMBS, which in turn may adversely affect the ability of investors in the certificates who are not subject to those provisions to resell their certificates in the secondary market. For example:

- Investors should be aware of the risk retention and due diligence requirements in Europe (the “EU Risk Retention and Due Diligence Requirements”) which currently apply, or are expected to apply in the future, to various types of regulated investors in the European Economic Area (“EEA”) including credit institutions, authorized alternative investment fund managers, investment firms, insurance and reinsurance undertakings and Undertakings for Collective Investment in Transferable Securities funds. Among other things, such requirements restrict an investor who is subject to the EU Risk Retention and Due Diligence Requirements from investing in securitizations unless: (i) the originator, sponsor or original lender in respect of the relevant securitization has explicitly disclosed that it will retain, on an on-going basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or securitized exposures; and (ii) such investor is able to demonstrate that they have undertaken certain due diligence in respect of various matters including but not limited to its securities position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the securities acquired by the relevant investor.
- On September 30, 2015, the European Commission (the “European Commission”) published a proposal to amend the Capital Requirements Regulation (the “CRR Amendment Regulation”) and a proposed regulation relating to a European framework for simple, transparent and standardized securitization (the “STS Securitization Regulation,” and together with the CRR Amendment Regulation, the “Securitization Regulations”) which would, among other things, re-cast the EU risk retention rules as part of wider changes to establish a “Capital Markets Union” in Europe. The Presidency of the Council of the European Union (the “Council”) and the European Parliament have proposed amendments to the Securitization Regulations. The subsequent trilogue discussions among representatives of the European Commission, the Council, and the European Parliament, have resulted in a compromise agreement being reached on the contents of the Securitization Regulations. The Council published the compromise text of the STS Securitization Regulation in a communication dated June 26, 2017. However, the final forms of the Securitization Regulations have not yet been published and so their final contents are not yet known. The current intention is that the Securitization Regulations will only apply from January 1, 2019. Investors should be aware that there are likely to be material differences between the current EU Risk Retention and Due Diligence Requirements and those in the Securitization Regulations.
- None of Freddie Mac, the depositor, their respective affiliates or any other person intends to retain a material net economic interest in the securitization constituted by the issue of the certificates in accordance with the EU Risk Retention and Due Diligence Requirements or to take any other action that may be required by EEA-regulated investors for the purposes of their compliance with the EU Risk Retention and Due Diligence Requirements. Consequently, the certificates are not a suitable investment for EEA-credit institutions, EEA-investment firms or the other types of EEA-regulated investors mentioned above. As a result, the price and liquidity of the certificates in the secondary market may be adversely affected. EEA-regulated investors are encouraged to consult with their own investment and legal advisors regarding the suitability of the certificates for investment.

- No party to this transaction will retain credit risk in this transaction in a form or an amount pursuant to the terms of the U.S. credit risk retention rule (12 C.F.R. Part 1234). See “Description of the Mortgage Loan Seller and Guarantor—Credit Risk Retention” in this information circular.
- Recent changes in federal banking and securities laws, including those resulting from the Dodd-Frank Act enacted in the United States, may have an adverse effect on issuers, investors, or other participants in the asset-backed securities markets. In particular, new capital regulations were issued by the U.S. banking regulators in July 2013; these regulations implement the increased capital requirements established under the Basel Accord and are being phased in over time. These new capital regulations eliminate reliance on credit ratings and otherwise alter, and in most cases increase, the capital requirements imposed on depository institutions and their holding companies, including with respect to ownership of asset-backed securities such as CMBS. Further changes in capital requirements have been announced by the Basel Committee on Banking Supervision and it is uncertain when such changes will be implemented in the United States. When fully implemented in the United States, these changes may have an adverse effect with respect to investments in asset-backed securities, including CMBS. As a result of these regulations, investments in CMBS, such as the certificates, by financial institutions subject to bank capital regulations may result in greater capital charges to these financial institutions and these new regulations may otherwise adversely affect the treatment of CMBS for their regulatory capital purposes.
- The Financial Accounting Standards Board has adopted changes to the accounting standards for structured products. These changes, or any future changes, may affect the accounting for entities such as the issuing entity, could under certain circumstances require an investor or its owner generally to consolidate the assets of the issuing entity in its financial statements and record third parties’ investments in the issuing entity as liabilities of that investor or owner or could otherwise adversely affect the manner in which the investor or its owner must report an investment in CMBS for financial reporting purposes.

Accordingly, all investors whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the certificates will constitute legal investments for them or are subject to investment or other restrictions, unfavorable accounting treatment, capital charges or reserve requirements.

***The Prospective Performance of the Mortgage Loans Included in the Issuing Entity Should Be Evaluated Separately from the Performance of the Mortgage Loans in Any of Our Other Trusts.*** While there may be certain common factors affecting the performance and value of income-producing real properties in general, those factors do not apply equally to all income-producing real properties and, in many cases, there are unique factors that will affect the performance and/or value of a particular income-producing real property. Moreover, the effect of a given factor on a particular mortgaged real property will depend on a number of variables, including but not limited to property type, geographic location, competition, sponsorship and other characteristics of the mortgaged real property and the related underlying mortgage loan. Each income-producing mortgaged real property represents a separate and distinct business venture and, as a result each underlying mortgage loan requires a unique underwriting analysis. Furthermore, economic and other conditions affecting mortgaged real properties, whether worldwide, national, regional or local, vary over time. The performance of a pool of mortgage loans originated and outstanding under a given set of economic conditions may vary significantly from the performance of an otherwise comparable mortgage pool originated and outstanding under a different set of economic conditions. Accordingly, investors should evaluate the underlying mortgage loans independently from the performance of mortgage loans underlying any other series of certificates. See “Risk Factors—Risks Related to the Underlying Mortgage Loans—The Underlying Mortgage Loans Are Seasoned Loans And Some Of The Underlying Mortgage Loans Lack Features That Are Characteristic Of Loans Contributed to Other Recent Freddie Mac Multifamily Securitizations” and “—The Underlying Mortgage Loans Are Seasoned Loans, Which May Experience a Higher Rate of Prepayment Than Non-Seasoned Loans” in this information circular for a further description of issues pertaining to seasoning of the underlying mortgage loans.

***The Market Value of the Certificates Will Be Sensitive to Factors Unrelated to the Performance of the Certificates and the Underlying Mortgage Loans.*** The market value of the certificates can decline even if the certificates and the underlying mortgage loans are performing at or above your expectations. The market value of the certificates will be sensitive to fluctuations in current interest rates. However, a change in the market value of the

certificates as a result of an upward or downward movement in current interest rates may not equal the change in the market value of the certificates as a result of an equal but opposite movement in interest rates.

The market value of the certificates will also be influenced by the supply of and demand for CMBS generally. The supply of CMBS will depend on, among other things, the amount of commercial and multifamily mortgage loans, whether newly originated or held in portfolio, that are available for securitization. A number of factors will affect investors' demand for CMBS, including—

- the availability of alternative investments that offer high yields or are perceived as being a better credit risk, having a less volatile market value or being more liquid;
- legal and other restrictions that prohibit a particular entity from investing in CMBS or limit the amount or types of CMBS that it may acquire;
- investors' perceptions regarding the commercial and multifamily real estate markets which may be adversely affected by, among other things, a decline in real estate values or an increase in defaults and foreclosures on mortgage loans secured by income-producing properties; and
- investors' perceptions regarding the capital markets in general, which may be adversely affected by political, social and economic events completely unrelated to the commercial and multifamily real estate markets.

If you decide to sell the certificates, you may have to sell at a discount from the price you paid for reasons unrelated to the performance of the certificates or the underlying mortgage loans. Pricing information regarding the certificates may not be generally available on an ongoing basis.

***The Certificates Will Not Be Rated.*** We have not engaged any NRSRO to rate any class of certificates. The absence of ratings may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, the certificates.

If your investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities, then you may be subject to restrictions on investment in the certificates. You should consult your own legal advisors for assistance in determining the suitability of and consequences to you of the purchase, ownership and sale of the certificates.

### **Risks Relating to the Mortgage Loan Seller and Guarantor**

***The Conservator May Repudiate Freddie Mac's Contracts, Including Its Guarantee and Other Obligations Related to the Offered Certificates.*** On September 6, 2008, the Federal Housing Finance Agency (“FHFA”) was appointed Freddie Mac’s conservator by the FHFA director. See “Description of the Mortgage Loan Seller and Guarantor—Freddie Mac Conservatorship” in this information circular. The conservator has the right to transfer or sell any asset or liability of Freddie Mac, including its guarantee obligation, without any approval, assignment or consent. If the conservator were to transfer Freddie Mac’s guarantee obligation to another party, holders of the offered certificates would have to rely on that party for the satisfaction of the guarantee obligation and would be exposed to the credit risk of that party. Freddie Mac is also the mortgage loan seller and as such has certain obligations to repurchase underlying mortgage loans in the event of material breaches of certain representations or warranties. In addition, the mortgage loan seller will be obligated, in connection with certain partial condemnations, to use commercially reasonable efforts to cause the related borrower to pay down the underlying mortgage loan, and may also use its own funds to pay down such underlying mortgage loan. If the conservator were to transfer Freddie Mac’s obligations as mortgage loan seller to another party, holders of the certificates would have to rely on that party for satisfaction of the repurchase obligation or obligation to use commercially reasonable efforts to cause the related borrower to pay down the loan and would be exposed to credit risk of that party. Freddie Mac is also the master servicer and the special servicer and as such is obligated to service the underlying mortgage loans. If the conservator were to transfer Freddie Mac’s obligations as master servicer and/or as special servicer to another party, holders of the certificates would have to rely on that party to service the underlying mortgage loans and to rely on the successor to the mortgage loan seller’s obligations to use commercially reasonable efforts to cause the borrower under the applicable underlying mortgage loan to pay down such underlying mortgage loan.

***Future Legislation and Regulatory Actions Will Likely Affect the Role of Freddie Mac.*** Future legislation will likely materially affect the role of Freddie Mac, its business model, its structure and future results of operations. Some or all of Freddie Mac's functions could be transferred to other institutions, and it could cease to exist as a stockholder-owned company or at all.

On February 11, 2011, the Obama Administration delivered a report to Congress that lays out the Administration's plan to reform the U.S. housing finance market, including options for structuring the government's long-term role in a housing finance system in which the private sector is the dominant provider of mortgage credit. The report recommends winding down Freddie Mac and Fannie Mae, stating that the Administration will work with FHFA to determine the best way to responsibly reduce the role of Freddie Mac and Fannie Mae in the market and ultimately wind down both institutions. The report recommends using a combination of policy levers to wind down Freddie Mac and Fannie Mae, shrink the government's footprint in housing finance, and help bring private capital back to the mortgage market, including: (i) increasing guarantee fees; (ii) increasing private capital ahead of Freddie Mac and Fannie Mae guarantees and phasing in a 10% down payment requirement; (iii) reducing conforming loan limits; and (iv) winding down Freddie Mac and Fannie Mae's investment portfolios.

In addition to legislative actions, FHFA has expansive regulatory authority over Freddie Mac, and the manner in which FHFA will use its authority in the future is unclear. FHFA could take a number of regulatory actions that could materially adversely affect Freddie Mac, such as changing or reinstating current capital requirements, which are not binding during conservatorship.

On January 20, 2017, a new presidential administration took office. We have no ability to predict what regulatory and legislative policies or actions the new presidential administration will pursue with respect to Freddie Mac.

***FHFA Could Terminate the Conservatorship by Placing Freddie Mac into Receivership, Which Could Adversely Affect the Freddie Mac Guarantee.*** Under the Federal Housing Finance Regulatory Reform Act (the "Reform Act"), FHFA must place Freddie Mac into receivership if FHFA determines in writing that Freddie Mac's assets are less than its obligations for a period of 60 days. FHFA has notified Freddie Mac that the measurement period for any mandatory receivership determination with respect to Freddie Mac's assets and obligations would commence no earlier than the SEC public filing deadline for its quarterly or annual financial statements and would continue for 60 calendar days after that date. FHFA has also advised Freddie Mac that, if, during that 60-day period, Freddie Mac receives funds from the U.S. Department of the Treasury ("Treasury") in an amount at least equal to the deficiency amount under the senior preferred stock purchase agreement between FHFA, as Conservator of Freddie Mac, and Treasury (as amended, the "Purchase Agreement"), the Director of FHFA will not make a mandatory receivership determination.

In addition, Freddie Mac could be put into receivership at the discretion of the Director of FHFA at any time for other reasons, including conditions that FHFA has already asserted existed at the time Freddie Mac was placed into conservatorship. These include: a substantial dissipation of assets or earnings due to unsafe or unsound practices; the existence of an unsafe or unsound condition to transact business; an inability to meet its obligations in the ordinary course of business; a weakening of its condition due to unsafe or unsound practices or conditions; critical undercapitalization; the likelihood of losses that will deplete substantially all of its capital; or by consent. A receivership would terminate the conservatorship. The appointment of FHFA (or any other entity) as Freddie Mac's receiver would terminate all rights and claims that its creditors may have against Freddie Mac's assets or under its charter arising as a result of their status as creditors, other than the potential ability to be paid upon Freddie Mac's liquidation. Unlike a conservatorship, the purpose of which is to conserve Freddie Mac's assets and return it to a sound and solvent condition, the purpose of a receivership is to liquidate Freddie Mac's assets and resolve claims against Freddie Mac.

In the event of a liquidation of Freddie Mac's assets, there can be no assurance that there would be sufficient proceeds to pay the secured and unsecured claims of the company, repay the liquidation preference of any series of its preferred stock or make any distribution to the holders of its common stock. To the extent that Freddie Mac is placed in receivership and does not or cannot fulfill its guarantee or other contractual obligations to the holders of its mortgage-related securities, including the certificates, such holders could become unsecured creditors of Freddie Mac with respect to claims made under Freddie Mac's guarantee or its other contractual obligations.

As receiver, FHFA could repudiate any contract entered into by Freddie Mac prior to its appointment as receiver if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of Freddie Mac's affairs. The Reform Act requires that any exercise by FHFA of its right to repudiate any contract occur within a reasonable period following its appointment as receiver.

If FHFA, as receiver, were to repudiate Freddie Mac's guarantee obligations, the receivership estate would be liable for actual direct compensatory damages as of the date of receivership under the Reform Act. Any such liability could be satisfied only to the extent that Freddie Mac's assets were available for that purpose.

Moreover, if Freddie Mac's guarantee obligations were repudiated, payments of principal and/or interest to the holders of the offered certificates would be reduced in the event of any borrower's late payment or failure to pay or a servicer's failure to remit borrower payments into the issuing entity or advance borrower payments. Any actual direct compensatory damages owed as a result of the repudiation of Freddie Mac's guarantee obligations may not be sufficient to offset any shortfalls experienced by the holders of the offered certificates.

During a receivership, certain rights of the holders of the offered certificates under the Pooling and Servicing Agreement and mortgage loan purchase agreement may not be enforceable against FHFA, or enforcement of such rights may be delayed.

The Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which Freddie Mac is a party, or obtain possession of or exercise control over any property of Freddie Mac, or affect any contractual rights of Freddie Mac, without the approval of FHFA as receiver, for a period of 90 days following the appointment of FHFA as receiver.

If Freddie Mac is placed into receivership and does not or cannot fulfill its guarantee obligations or other contractual obligations under the Pooling and Servicing Agreement, holders of the certificates could become unsecured creditors of Freddie Mac with respect to claims made under its guarantee or other contractual obligations.

### **CAPITALIZED TERMS USED IN THIS INFORMATION CIRCULAR**

From time to time we use capitalized terms in this information circular. A capitalized term used throughout this information circular will have the meaning assigned to it in the "Glossary" to this information circular.

### **FORWARD-LOOKING STATEMENTS**

This information circular includes the words "expects," "intends," "anticipates," "likely," "estimates," and similar words and expressions. These words and expressions are intended to identify forward-looking statements. Any forward-looking statements are made subject to risks and uncertainties that could cause actual results to differ materially from those stated. These risks and uncertainties include, among other things, declines in general economic and business conditions, increased competition, changes in demographics, changes in political and social conditions, regulatory initiatives and changes in customer preferences, many of which are beyond our control and the control of any other person or entity related to this offering. The forward-looking statements made in this information circular are accurate as of the date stated on the cover of this information circular. We have no obligation to update or revise any forward-looking statement.

### **DESCRIPTION OF THE ISSUING ENTITY**

The entity issuing the certificates will be FREMF 2017-KP04 Mortgage Trust, which we refer to in this information circular as the "issuing entity." The issuing entity is a New York common law trust that will be formed on the Closing Date pursuant to the Pooling and Servicing Agreement. The only activities that the issuing entity may perform are those set forth in the Pooling and Servicing Agreement, which are generally limited to owning and administering the underlying mortgage loans and any REO Property, disposing of Defaulted Loans and REO Property, issuing the certificates and making distributions and providing reports to certificateholders. Accordingly, the issuing entity may not issue securities other than the certificates, or invest in securities, other than investment of funds in certain accounts maintained under the Pooling and Servicing Agreement in certain short-term, high-quality investments. The issuing entity may not lend or borrow money, except that the master servicer or the trustee may

make advances to the issuing entity only to the extent it deems such advances to be recoverable from the related underlying mortgage loan. Such advances are intended to be in the nature of a liquidity, rather than a credit facility. The Pooling and Servicing Agreement may be amended as set forth under “The Pooling and Servicing Agreement—Amendment” in this information circular. The issuing entity administers the underlying mortgage loans through the master servicer and the special servicer. A discussion of the duties of the servicers, including any discretionary activities performed by each of them, is set forth under “The Pooling and Servicing Agreement” in this information circular.

The only assets of the issuing entity other than the underlying mortgage loans and any REO Properties are certain accounts maintained pursuant to the Pooling and Servicing Agreement, the obligations of Freddie Mac pursuant to the Freddie Mac Guarantee and the short-term investments in which funds in the collection accounts and other accounts are invested. The issuing entity has no present liabilities, but has potential liability relating to ownership of the underlying mortgage loans and any REO Properties, and indemnity obligations to the trustee, the custodian, the certificate administrator, the master servicer, the special servicer and Freddie Mac (in its capacity as servicing consultant). The fiscal year of the issuing entity is the calendar year. The issuing entity has no executive officers or board of directors. It acts through the trustee, the custodian, the certificate administrator, the master servicer and the special servicer.

The depositor is contributing the underlying mortgage loans to the issuing entity. The depositor is purchasing the underlying mortgage loans from the mortgage loan seller pursuant to a mortgage loan purchase agreement, as described in “Summary of Information Circular—The Underlying Mortgage Loans—Source of the Underlying Mortgage Loans” and “Description of the Underlying Mortgage Loans—Representations and Warranties” in this information circular.

As a common-law trust, it is anticipated that the issuing entity would not be subject to the Bankruptcy Code. In connection with the sale of the underlying mortgage loans from the depositor to the issuing entity, a legal opinion is required to be rendered to the effect that if the depositor were to become a debtor in a case under the Bankruptcy Code, a federal bankruptcy court, which acted reasonably and correctly applied the law to the facts as set forth in such legal opinion after full consideration of all relevant factors, would hold that the transfer of the underlying mortgage loans from the depositor to the issuing entity was a true sale rather than a pledge such that (i) the underlying mortgage loans, and payments under the underlying mortgage loans and identifiable proceeds from the underlying mortgage loans would not be property of the estate of the depositor under Section 541(a)(1) of the Bankruptcy Code and (ii) the automatic stay arising pursuant to Section 362(a) of the Bankruptcy Code upon the commencement of a bankruptcy case of the depositor is not applicable to payments on the certificates. This legal opinion is based on numerous assumptions, and we cannot assure you that all of such assumed facts are true, or will continue to be true. Moreover, we cannot assure you that a court would rule as anticipated in this legal opinion.

The issuing entity will be relying on an exclusion or exemption under the Investment Company Act contained in Section 3(c)(5) of the Investment Company Act or Rule 3a-7 under the Investment Company Act, although there may be additional exclusions or exemptions available to the issuing entity. Accordingly, the issuing entity is being structured so as not to constitute a “covered fund” for purposes of the regulations adopted on December 10, 2013 to implement Section 619 of the Dodd-Frank Act (such statutory provision, together with such implementing regulations, the “Volcker Rule”). The Volcker Rule generally prohibits “banking entities” (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a “covered fund” and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on July 21, 2012, and final regulations implementing the Volcker Rule were adopted on December 10, 2013. Banking entities were required to be in conformance with the Volcker Rule by July 21, 2015, although ownership interests or sponsorships in covered funds in existence prior to December 31, 2013 were not required to be brought into conformance until July 21, 2017 (with the possibility of an additional five-year extension for certain illiquid funds). Prior to the applicable conformance expiration date, banking entities must make good faith efforts to conform their activities and investments to the Volcker Rule. Under the Volcker Rule, unless otherwise jointly determined otherwise by specified federal regulators, a “covered fund” does not include an issuer that may rely on an exclusion or exemption from the definition of “investment company” under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. The general effects of the Volcker Rule remain uncertain. Any prospective investor in the certificates, including

a U.S. or foreign bank or a subsidiary or other bank affiliate, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

There are no legal proceedings pending against the issuing entity that are material to the certificateholders.

## **DESCRIPTION OF THE DEPOSITOR**

The depositor is Morgan Stanley Capital I Inc., a Delaware corporation. The depositor is an affiliate of Morgan Stanley & Co. LLC is one of the placement agents for the SPCs. The depositor maintains its principal office at 1585 Broadway, New York, New York 10036. Its telephone number is (212) 761-4000. The depositor does not have, nor is it expected in the future to have, any significant assets or liabilities.

The depositor will have minimal ongoing duties with respect to the offered certificates and the underlying mortgage loans. The depositor's duties pursuant to the Pooling and Servicing Agreement include, without limitation, the duty to appoint a successor trustee or certificate administrator in the event of the resignation or removal of the trustee or the certificate administrator, to provide information in its possession to the certificate administrator to the extent necessary to perform grantor trust tax administration and to indemnify the trustee, the certificate administrator, the master servicer, the special servicer, the custodian, Freddie Mac and the issuing entity for any liability, assessment or costs arising from its willful misconduct, bad faith, fraud or negligence in providing such information. The depositor is required under the certificate purchase agreement relating to the offered certificates to indemnify Freddie Mac for certain liabilities.

Under the Pooling and Servicing Agreement, the depositor and various related persons and entities will be entitled to be indemnified by the issuing entity for certain losses and liabilities incurred by the depositor as described in "The Pooling and Servicing Agreement—Certain Indemnities" in this information circular.

There are no legal proceedings pending against the depositor that are material to the certificateholders.

Neither we nor any of our affiliates will guarantee any of the underlying mortgage loans. Furthermore, no governmental agency or instrumentality will guarantee or insure any of the underlying mortgage loans.

## **DESCRIPTION OF THE MORTGAGE LOAN SELLER AND GUARANTOR**

### **The Mortgage Loan Seller and Guarantor**

All of the underlying mortgage loans were sold to us by Freddie Mac, the mortgage loan seller. All of the underlying mortgage loans in Loan Group 1 were originated by Berkeley Point Capital LLC (as successor in interest to Deutsche Bank Berkshire Mortgage, Inc.). All of the underlying mortgage loans in Loan Group 2 were originated by Wells Fargo Bank, National Association (for itself and as successor in interest to Wachovia Multifamily Capital, Inc.) (collectively, the "Originators"), and was acquired and re-underwritten by the mortgage loan seller.

Freddie Mac is one of the largest participants in the U.S. mortgage market. Freddie Mac is a stockholder-owned government-sponsored enterprise chartered by Congress on July 24, 1970 under the Freddie Mac Act to stabilize residential mortgage markets in the United States and expand opportunities for homeownership and affordable rental housing.

Freddie Mac's statutory purposes are:

- to provide stability in the secondary market for residential mortgages;
- to respond appropriately to the private capital markets;
- to provide ongoing assistance to the secondary market for residential mortgages (including mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and

- to promote access to mortgage credit throughout the United States (including central cities, rural areas and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

Freddie Mac fulfills the requirements of its charter by purchasing residential mortgages and mortgage-related securities in the secondary mortgage market and securitizing such mortgages into mortgage-related securities for its mortgage-related investment portfolio. It also purchases multifamily residential mortgages in the secondary mortgage market and holds these loans either for investment or sale. Freddie Mac finances the purchases of its mortgage-related securities and mortgage loans, and manages its interest-rate and other market risks, primarily by issuing a variety of debt instruments and entering into derivative contracts in the capital markets. Although it is chartered by Congress, Freddie Mac is solely responsible for making payments on its obligations. Neither the U.S. government nor any agency or instrumentality of the U.S. government other than Freddie Mac guarantees its obligations.

### **Freddie Mac Conservatorship**

Freddie Mac continues to operate under the conservatorship that commenced on September 6, 2008, conducting its business under the direction of the FHFA, Freddie Mac's conservator (the "Conservator"). FHFA was established under the Reform Act. Prior to the enactment of the Reform Act, HUD had general regulatory authority over Freddie Mac, including authority over Freddie Mac's affordable housing goals and new programs. Under the Reform Act, FHFA now has general regulatory authority over Freddie Mac, though HUD still has authority over Freddie Mac with respect to fair lending.

Upon its appointment, FHFA, as Conservator, immediately succeeded to all rights, titles, powers and privileges of Freddie Mac and of any stockholder, officer or director of Freddie Mac with respect to Freddie Mac and its assets, and succeeded to the title to all books, records and assets of Freddie Mac held by any other legal custodian or third party. During the conservatorship, the Conservator has delegated certain authority to Freddie Mac's Board of Directors to oversee, and to Freddie Mac's management to conduct, day-to-day operations so that Freddie Mac can continue to operate in the ordinary course of business. There is significant uncertainty as to whether or when Freddie Mac will emerge from conservatorship, as it has no specified termination date, and as to what changes may occur to Freddie Mac's business structure during or following conservatorship, including whether Freddie Mac will continue to exist. While Freddie Mac is not aware of any current plans of its Conservator to significantly change its business structure in the near term, there are likely to be significant changes beyond the near-term that will be decided by Congress and the new presidential administration that took office on January 20, 2017. We have no ability to predict what regulatory and legislative policies or actions the new presidential administration will pursue with respect to Freddie Mac.

To address deficits in Freddie Mac's net worth, FHFA, as Conservator, entered into the Purchase Agreement with Treasury, and (in exchange for an initial commitment fee of senior preferred stock and warrants to purchase common stock) Treasury made a commitment to provide funding, under certain conditions. Freddie Mac is dependent upon the continued support of Treasury and FHFA in order to continue operating its business. Freddie Mac's ability to access funds from Treasury under the Purchase Agreement is critical to keeping it solvent and avoiding appointment of a receiver by FHFA under statutory mandatory receivership provisions.

On February 11, 2011, the Obama Administration delivered a report to Congress that lays out the Administration's plan to reform the U.S. housing finance market, including options for structuring the government's long-term role in a housing finance system in which the private sector is the dominant provider of mortgage credit. The report recommends winding down Freddie Mac and Fannie Mae, stating that the Administration will work with FHFA to determine the best way to responsibly reduce the role of Freddie Mac and Fannie Mae in the market and ultimately wind down both institutions. The report states that these efforts must be undertaken at a deliberate pace, which takes into account the impact that these changes will have on borrowers and the housing market.

The report states that the government is committed to ensuring that Freddie Mac and Fannie Mae have sufficient capital to perform under any guarantees issued now or in the future and the ability to meet any of their debt obligations, and further states that the Administration will not pursue policies or reforms in a way that would impair the ability of Freddie Mac and Fannie Mae to honor their obligations. The report states the Administration's belief that under the companies' senior preferred stock purchase agreements with Treasury, there is sufficient

funding to ensure the orderly and deliberate wind down of Freddie Mac and Fannie Mae, as described in the Administration's plan.

Additional information regarding the conservatorship, the Purchase Agreement and other matters concerning Freddie Mac is available in the annual reports on Form 10-K, quarterly reports on Form 10-Q and other reports filed with the SEC by Freddie Mac.

### **Proposed Operation of Multifamily Mortgage Business on a Stand-Alone Basis**

Legislation has been proposed in Congress that, if passed into law, would require Freddie Mac to transition its multifamily operations to a stand-alone entity. Because proposed legislation ultimately may not be passed into law or may be changed before it is passed into law, it is uncertain whether Freddie Mac will be required to transition its multifamily operations to a stand-alone entity by such proposed legislation or any other method.

If Freddie Mac were to transition its multifamily operations to one or more stand-alone entities, such entities may be entitled to exercise the rights and perform the obligations of Freddie Mac under the Pooling and Servicing Agreement, the mortgage loan purchase agreement and other transaction documents. However, Freddie Mac's obligations under the Freddie Mac Guarantee and as mortgage loan seller would continue to be the obligations of Freddie Mac in its capacity as Guarantor and mortgage loan seller, respectively.

### **Litigation Involving the Mortgage Loan Seller and Guarantor**

For more information on Freddie Mac's involvement as a party to various legal proceedings, see the annual reports on Form 10-K, quarterly reports on Form 10-Q and other reports filed with the SEC by Freddie Mac.

### **Credit Risk Retention**

Freddie Mac, as sponsor of this securitization transaction, will not retain risk pursuant to provisions of FHFA's Credit Risk Retention Rule (12 C.F.R. Part 1234) (the "Rule") because FHFA, as Conservator and in furtherance of the goals of the conservatorship, has determined to exercise authority under Section 1234.12(f)(3) of the Rule to sell or otherwise hedge the credit risk that Freddie Mac would be required to retain and has instructed Freddie Mac to take such action necessary to effect this outcome. Freddie Mac also will not rely on a third party purchaser to retain risk pursuant to the Rule, as may otherwise be permitted under Section 1234.7 (Commercial mortgage-backed securities). As a result, no party will retain risk with respect to this transaction in a form or an amount pursuant to the terms of the Rule. Although Freddie Mac will not be retaining risk pursuant to the Rule as a result of FHFA instructions, it may elect to retain, to the extent permitted by FHFA, some portion of the certificates.

### **Mortgage Loan Purchase and Servicing Standards of the Mortgage Loan Seller**

*General.* Any mortgage loans that Freddie Mac purchases must satisfy the mortgage loan purchase standards that are contained in the Freddie Mac Act. These standards require Freddie Mac to purchase mortgage loans of a quality, type and class that meet generally the purchase standards imposed by private institutional mortgage loan investors. This means the mortgage loans must be readily marketable to institutional mortgage loan investors.

*The Guide.* In addition to the standards in the Freddie Mac Act, which Freddie Mac cannot change, Freddie Mac has established its own multifamily mortgage loan purchase standards, appraisal guidelines and servicing policies and procedures. These are in Freddie Mac's Multifamily Seller/Servicer Guide which can be accessed by subscribers at [www.allregs.com](http://www.allregs.com) (the "Guide"). Forms of Freddie Mac's current loan documents can be found on Freddie Mac's website, [www.freddiemac.com](http://www.freddiemac.com). The master servicer, special servicer and any sub-servicer will be required to service the underlying mortgage loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans pursuant to, among other things, Freddie Mac Servicing Practices, including the Guide in effect as of the time of origination of the underlying mortgage loans, as described in "The Pooling and Servicing Agreement—Servicing Under the Pooling and Servicing Agreement" in this information circular.

Freddie Mac may waive or modify its mortgage loan purchase standards and guidelines and servicing policies and procedures when it purchases any particular mortgage loan or afterward. We have described those changes in this information circular if we believe they will materially change the prepayment behavior of the underlying

mortgage loans. Freddie Mac also reserves the right to change its mortgage loan purchase standards, credit, appraisal, underwriting guidelines and servicing policies and procedures at any time. This means that the underlying mortgage loans may not conform at any particular time to all of the provisions of the Guide or Freddie Mac's mortgage loan purchase documents.

Certain aspects of Freddie Mac's mortgage loan purchase and servicing guidelines are summarized below. However, this summary is qualified in its entirety by the Guide, any applicable mortgage loan purchase documents, any applicable servicing agreement and any applicable supplemental disclosure.

*Mortgage Loan Purchase Standards.* Freddie Mac uses mortgage loan information available to it to determine which mortgage loans it will purchase, the prices it will pay for mortgage loans, how to pool the mortgage loans it purchases and which mortgage loans it will retain in its portfolio. The information Freddie Mac uses varies over time, and may include:

- the loan-to-value and debt service coverage ratios of the mortgage loan;
- the strength of the market in which the mortgaged real property is located;
- the strength of the mortgaged real property's operations;
- the physical condition of the mortgaged real property;
- the financial strength of the borrower and its principals;
- the management experience and ability of the borrower and its principals or the property manager, as applicable; and
- Freddie Mac's evaluation of and experience with the seller of the mortgage loan.

To the extent allowed by the Freddie Mac Act, Freddie Mac has discretion to determine its mortgage loan purchase standards and whether the mortgage loans it purchases will be securitized or held in its portfolio.

*Eligible Sellers, Servicers and Warranties.* Freddie Mac approves sellers and servicers of mortgage loans based on a number of factors, including their financial condition, operational capability and mortgage loan origination and servicing experience. The seller or servicer of a mortgage loan need not be the originator of that mortgage loan.

In connection with its purchase of a mortgage loan, Freddie Mac relies on the representations and warranties of the seller with respect to certain matters, as is customary in the secondary market. These warranties cover such matters as:

- the accuracy of the information provided by the borrower;
- the accuracy and completeness of any third party reports prepared by a qualified professional;
- the validity of each mortgage as a first or junior lien, as applicable;
- the timely payments on each mortgage loan at the time of delivery to Freddie Mac;
- the physical condition of the mortgaged real property;
- the accuracy of rent schedules; and
- the originator's compliance with applicable state and federal laws.

*Mortgage Loan Servicing Policies and Procedures.* Freddie Mac generally supervises servicing of the mortgage loans according to its written policies, procedures and the Guide. Each servicer must diligently perform all services and duties customary to the servicing of multifamily mortgages and as required by Freddie Mac Servicing Practices, which includes the Guide. These include:

- collecting and posting payments on the mortgage loans;
- investigating delinquencies and defaults;

- analyzing and recommending any special borrower requests, such as requests for assumptions, subordinate financing and partial release;
- submitting monthly electronic remittance reports and annual financial statements obtained from borrowers;
- administering escrow accounts;
- inspecting properties;
- responding to inquiries of borrowers or government authorities; and
- collecting and administering insurance claims.

Servicers service the mortgage loans, either directly or through approved sub-servicers, and receive fees for their services. Freddie Mac monitors the servicer's performance through periodic and special reports and inspections to ensure it complies with its obligations. A servicer may remit payments to Freddie Mac under various arrangements but these arrangements do not affect the timing of payments to investors. Freddie Mac invests those payments at its own risk and for its own benefit until it passes through the payments to investors. The master servicer and the special servicer will be required to service the underlying mortgage loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans pursuant to, among other things, the Guide, as described in "The Pooling and Servicing Agreement—Servicing Under the Pooling and Servicing Agreement" in this information circular.

## **DESCRIPTION OF THE UNDERLYING MORTGAGE LOANS**

### **General**

The assets of the issuing entity will consist primarily of 21 Hybrid ARM mortgage loans (comprising two loan groups) secured by 21 multifamily properties. The underlying mortgage loans include 11 cross-collateralized and cross-defaulted underlying mortgage loans secured by 11 multifamily properties ("Loan Group 1") and 10 cross-collateralized and cross-defaulted underlying mortgage loans secured by 10 multifamily properties ("Loan Group 2") and together with Loan Group 1, each a "Loan Group"). No underlying mortgage loan in a Loan Group is cross-defaulted or cross-collateralized with any underlying mortgage loan in the other Loan Group. Each underlying mortgage loan is secured by a mortgaged real property that consists of a single parcel or two or more contiguous or non-contiguous parcels, and we refer to such parcel or parcels collectively as the "mortgaged real property" securing such underlying mortgage loan. We refer to these loans that we intend to include in the issuing entity collectively in this information circular as the "underlying mortgage loans." Loan Group 1 and Loan Group 2 will have initial total principal balances of approximately \$500,000,000 and \$500,000,000, respectively, as of the Cut-off Date, in each case subject to a variance of plus or minus 5%.

The Cut-off Date Principal Balance of any underlying mortgage loan is equal to its outstanding principal balance as of the Cut-off Date, after application of all monthly debt service payments due with respect to the underlying mortgage loan on or before that date, whether or not those payments were received. Exhibit A-1 shows the Cut-off Date Principal Balance of each underlying mortgage loan. See Exhibits A-1 and A-2 for additional statistical information on the underlying mortgage loans and the mortgage pool.

Each of the underlying mortgage loans is an obligation of the related borrower to repay a specified sum with interest. Each of the underlying mortgage loans is evidenced by one or more promissory notes and secured by a mortgage, deed of trust or other similar security instrument that creates a mortgage lien on the fee interest of the related borrower or another party in one or more multifamily real properties. That mortgage lien will, in all cases, be a first priority lien subject to certain standard permitted encumbrances and/or any subordinate liens described in this information circular.

Except for certain limited nonrecourse carveouts, each of the underlying mortgage loans is a nonrecourse obligation of the related borrower. In the event of a payment default by the borrower, recourse will be limited to the corresponding mortgaged real property or properties for satisfaction of that borrower's obligations. None of the underlying mortgage loans will be insured or guaranteed by any governmental entity or by any other person. We provide in this information circular a variety of information regarding the underlying mortgage loans. When reviewing this information, please note that—

- All numerical information provided with respect to the underlying mortgage loans is provided on an approximate basis.
- All weighted average information provided with respect to the underlying mortgage loans reflects a weighting by their respective Cut-off Date Principal Balances.
- In calculating the Cut-off Date Principal Balances of the underlying mortgage loans, we have assumed that—
  1. all scheduled payments of principal and/or interest due on the underlying mortgage loans on or before the Cut-off Date are timely made; and
  2. there are no prepayments or other unscheduled collections of principal with respect to any underlying mortgage loans during the period from their due dates in October 2017 up to and including November 1, 2017.
- Whenever we refer to the initial Loan Group 1 balance in this information circular, we are referring to the total Cut-off Date Principal Balance of Loan Group 1.
- Whenever we refer to the initial Loan Group 2 balance in this information circular, we are referring to the total Cut-off Date Principal Balance of Loan Group 2.
- When information with respect to mortgaged real properties is expressed as a percentage of the initial Loan Group 1 balance or initial Loan Group 2 balance, the percentages are based on the Cut-off Date Principal Balances of the related underlying mortgage loans.
- Each Loan Group is made up of underlying mortgage loans that are cross-collateralized and cross-defaulted with each other underlying mortgage loan in such Loan Group. Unless otherwise indicated, we present the information regarding each Loan Group as separate loans. However, each underlying mortgage loan in either Loan Group is treated as having the Cut-off Date Loan-to-Value Ratio, the Maturity Loan-to-Value Ratio, the Cut-off Date Balance/Unit and the historical and Underwritten Debt Service Coverage Ratios of such Loan Group as a whole. In addition, none of the underlying mortgage loans is cross-collateralized or cross-defaulted with mortgage loans that are not the issuing entity.
- Whenever we refer to a particular mortgaged real property by name, we mean the mortgaged real property identified by that name on Exhibit A-1. Whenever we refer to a particular underlying mortgage loan by name, we mean the underlying mortgage loan secured by the mortgaged real property identified by that name on Exhibit A-1.
- Statistical information regarding the underlying mortgage loans may change prior to the Closing Date due to changes in the composition of the mortgage pool prior to that date.

#### **Cross-Collateralized Mortgage Loans and Underlying Mortgage Loans with Borrowers Under Common Ownership**

All of the underlying mortgage loans (in both Loan Groups) were made to the same borrower or borrowers under common ownership. In addition, the underlying mortgage loans in each Loan Group are cross-collateralized and cross-defaulted with each other underlying mortgage loan in such Loan Group. However, the amount of the mortgage lien encumbering any particular mortgaged real property may be less than the full amount of the total principal balance of the related Loan Group, generally to minimize recording tax. The mortgage amount may equal the appraised value or allocated loan amount for the particular mortgaged real property. This would limit the extent to which proceeds from that mortgaged real property would be available to offset declines in value of the related Loan Group. The table below identifies the underlying mortgage loans that are in each Loan Group:

### Loan Group 1

Loan Name	Cut-off Date Principal Balance	% of Initial Loan Group 1 Balance <sup>(1)</sup>
The Reserve At Fairfax Corner.....	\$84,778,876	17.0%
Mill Creek Apartments .....	69,312,259	13.9
Bella Vista At Warner Ridge .....	58,055,099	11.6
1401 South Joyce On Pentagon .....	57,428,472	11.5
Olympus Towers.....	49,875,780	10.0
Hathaway Apartments .....	46,517,800	9.3
Summerset Village .....	38,039,912	7.6
Versailles .....	30,372,953	6.1
Liberty Park .....	24,980,280	5.0
Artisan Square .....	22,779,715	4.6
Woodleaf Apartments.....	17,858,854	3.6
<b>Total.....</b>	<b>\$ 500,000,000</b>	<b>100.0%</b>

### Loan Group 2

Loan Name	Cut-off Date Principal Balance	% of Initial Loan Group 2 Balance <sup>(1)</sup>
Toscana Apartments .....	\$98,092,566	19.6%
Longview Place .....	70,822,265	14.2
Siena Terrace .....	64,485,107	12.9
Town Square At Mark Center.....	60,279,122	12.1
Skyview Apartments.....	47,206,845	9.4
Versailles Koreatown Apartments .....	45,990,686	9.2
Del Mar Ridge .....	39,555,622	7.9
Heights On Capitol Hill .....	25,900,949	5.2
Avanti .....	25,025,451	5.0
Metro On First .....	22,641,387	4.5
<b>Total.....</b>	<b>\$ 500,000,000</b>	<b>100.0%</b>

(1) Amounts may not add up to the totals shown due to rounding.

See “Risk Factors—Risks Related to the Underlying Mortgage Loans—Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of These Provisions May Otherwise Be Limited,” “—Risks Related to the Underlying Mortgage Loans—Underlying Mortgage Loans to the Same Borrower or Borrowers Under Common Ownership May Result in More Severe Losses on the Offered Certificates,” “Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Underlying Mortgage Loans with Borrowers Under Common Ownership” and “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions” in this information circular.

#### Certain Terms and Conditions of the Underlying Mortgage Loans

*Due Dates.* Subject, in some cases, to a next business day convention, monthly installments of principal and/or interest will be due on the first of the month with respect to each of the underlying mortgage loans.

*Mortgage Interest Rates; Calculations of Interest.* Each of underlying mortgage loans will bear interest that will accrue on a 30/360 Basis while such underlying mortgage loan has a fixed interest rate, and on an Actual/360 Basis after the first related reset date for such underlying mortgage loan that, in the absence of default or modification, is fixed for an initial period that expires 120 months following the origination date of such underlying mortgage loan in Loan Group 1 and 126 months following the origination date of such underlying mortgage loan in Loan Group 2, and thereafter, so long as no event of default has occurred, the maturity date for each underlying mortgage loan will

automatically be extended for 12 months, during which term, the interest rate is adjustable on monthly loan reset dates for such underlying mortgage loan (a “Hybrid ARM” underlying mortgage loan).

With respect to each Hybrid ARM underlying mortgage loan, beginning with the first loan reset date, the mortgage interest rate will reset based on LIBOR. Before each loan reset date, the lender will be required to calculate the new mortgage interest rate by adding a margin of 2.400% (with respect to the underlying mortgage loans in Loan Group 2) or 3.000% (with respect to the underlying mortgage loans in Loan Group 1) to LIBOR as set forth on Exhibit A-1, which amount will be the mortgage interest rate until the next loan reset date.

Exhibit A-1 shows the current mortgage interest rate for each of the underlying mortgage loans. None of the underlying mortgage loans provides for negative amortization or for the deferral of interest.

“LIBOR” means, for any Interest Accrual Period, the IBA’s one-month London interbank offered rate for United States Dollar deposits, as displayed on the LIBOR Index Page, as determined on the related LIBOR Determination Date; *provided, however*, that, for purposes of the certificates (but not the underlying mortgage loans) in the event LIBOR with respect to any Interest Accrual Period is less than zero, LIBOR for such Interest Accrual Period will be deemed to be zero. With respect to each LIBOR Determination Date, LIBOR for the underlying mortgage loans (after the applicable reset date) will be determined by the master servicer and LIBOR for the Principal Balance Certificates will be determined by the Calculation Agent. In the event of a discrepancy between the LIBOR determination made by the Calculation Agent and the LIBOR determination made by the master servicer on any LIBOR Determination Date, LIBOR for the related Interest Accrual Period for the underlying mortgage loans and for the certificates will equal the LIBOR determination made by the master servicer.

“LIBOR Determination Date” means, with respect to any Interest Accrual Period and (i) any underlying mortgage loan and with respect to each loan reset date, the first day preceding the beginning of such Interest Accrual Period for which LIBOR has been released by the IBA or (ii) any Principal Balance Certificate prior to the initial reset date on the underlying mortgage loans in the related Loan Group, the first day preceding the beginning of such Interest Accrual Period, and after the initial reset date on the underlying mortgage loans in the related Loan Group, the date on which LIBOR for the underlying mortgage loans was determined in the month preceding the month in which the applicable Interest Accrual Period for the certificates commenced.

“LIBOR Index Page” means the Bloomberg L.P., page “BBAM,” or such other page for LIBOR as may replace page BBAM on that service, or at the option of the Calculation Agent (i) the applicable page for LIBOR on another service which electronically transmits or displays IBA LIBOR rates, or (ii) any publication of LIBOR rates available from the IBA. In the event the IBA ceases to set or publish a rate for LIBOR, the Calculation Agent will use the industry-designated alternative index, as confirmed by the Guarantor, and such alternative index will constitute the LIBOR Index Page. If no alternative index is designated, the Calculation Agent will use the alternative index set out in the Guide or in any communications made available in writing by Freddie Mac relating to the index being used at such time by Freddie Mac for its multifamily mortgage loans and such alternative index will constitute the LIBOR Index Page; *provided* that if no such alternative index is set out in the Guide or in any such communications made available in writing by Freddie Mac, the Guarantor will designate an alternative index, and such alternative index will constitute the LIBOR Index Page. The Calculation Agent will promptly notify the parties to the Pooling and Servicing Agreement of any designation of an alternative index.

*Term to Maturity.* All of the underlying mortgage loans in Loan Group 1 have an original term to maturity of 120 months. All of the underlying mortgage loans in Loan Group 2 have an original term to maturity of 126 months.

*Balloon Loans.* All of the underlying mortgage loans are Balloon Loans with amortization schedules that are significantly longer than the actual term of the underlying mortgage loan.

*Additional Amortization Considerations.* None of the underlying mortgage loans provide for amortization prior to the related scheduled maturity date.

*Prepayment Provisions.* As of origination, all of the underlying mortgage loans in each Loan Group provided for certain restrictions and/or requirements with respect to prepayments during some portion of their respective loan terms. The relevant restrictions and requirements will generally consist of the following: All of the underlying mortgage loans provide for –

1. a prepayment consideration period during which voluntary principal prepayments must be accompanied by the greater of a Static Prepayment Premium and a Yield Maintenance Charge, followed by;
2. an open prepayment period during which voluntary principal prepayments may be made without payment of any prepayment consideration.

The Yield Maintenance Charge will be an amount generally equal to the greater of the following: (i) a specified percentage of the principal balance of the underlying mortgage loan being prepaid; and (ii) the product obtained by multiplying (a) the amount of principal being prepaid or accelerated, by (b) the excess, if any, of one-twelfth of the mortgage note rate over an assumed reinvestment rate, by (c) a factor that discounts to present value the costs resulting to the lender from the difference in interest rates during the months remaining in the Yield Maintenance Period (which will be required to be calculated in accordance with the last paragraph of the definition of "Accepted Servicing Practices" in this information circular). Generally, the assumed reinvestment rate is equal to one-twelfth of the yield rate of the U.S. Treasury security specified in the related loan documents as reported on the Treasury website five business days before the prepayment date, expressed as a decimal calculated to two decimal places.

The open prepayment period for any underlying mortgage loan will generally begin 12 months prior to the month in which the underlying mortgage loan matures.

Exhibit A-1 more particularly describes the prepayment terms of the underlying mortgage loans.

Unless an underlying mortgage loan is relatively near its stated maturity date or unless the sale price or the amount of the refinancing of the related mortgaged real property is considerably higher than the current outstanding principal balance of that underlying mortgage loan due to an increase in the value of the mortgaged real property or otherwise, the prepayment consideration may, even in a relatively low interest rate environment, offset entirely or render insignificant any economic benefit to be received by the borrower upon a refinancing or sale of the mortgaged real property. The prepayment consideration provision is intended to create an economic disincentive for the borrower to prepay an underlying mortgage loan voluntarily.

However, we cannot assure you that the imposition of a Static Prepayment Premium or a Yield Maintenance Charge will provide a sufficient disincentive to prevent a voluntary principal prepayment. Furthermore, certain state laws limit the amounts that a lender may collect from a borrower as an additional charge in connection with the prepayment of an underlying mortgage loan.

We do not make any representation as to the enforceability of the provision of any underlying mortgage loan requiring the payment of a Static Prepayment Premium or a Yield Maintenance Charge, or of the collectability of any Static Prepayment Premium or Yield Maintenance Charge, and the Freddie Mac Guarantee excludes the payment of Static Prepayment Premiums or Yield Maintenance Charges.

Casualty and Condemnation. In the event of a condemnation or casualty at the mortgaged real property securing any of the underlying mortgage loans, the borrower will generally be required to restore that mortgaged real property. However, the lender may under certain circumstances apply the condemnation award or insurance proceeds to the repayment of debt, which will not require payment of any prepayment premium.

*Escrow and Reserve Accounts.* Most of the underlying mortgage loans provide for the establishment of escrow and/or reserve accounts for the purpose of holding amounts required to be on deposit as reserves for—

- taxes and insurance;
- capital improvements; and/or
- various other purposes.

If any such escrow and/or reserve accounts are required to be established, these accounts will be under the sole control of the master servicer or an approved sub-servicer. If a related borrower is required to establish any such account, each underlying mortgage loan requires that such accounts be funded out of monthly escrow and/or reserve payments by the related borrower. Any escrow or reserve accounts may be used to prepay the underlying mortgage

loans in accordance with the loan documents upon the occurrence of certain events, including, among other things, the failure to satisfy certain conditions related to such escrow or reserve accounts or an event of default.

Tax Escrows. In the case of all of the underlying mortgage loans, initial or monthly escrows for tax premiums were not required at origination but may be required in the future subject to certain conditions set forth in the related loan documents. The related borrower is generally required to deposit on a monthly basis an amount equal to one-twelfth of the annual real estate taxes and assessments. If an escrow was funded, the funds will be applied by the master servicer to pay for taxes and assessments at the related mortgaged real property.

Insurance Escrows. In the case of all of the underlying mortgage loans, initial or monthly escrows for insurance premiums were not required at origination but may be required in the future subject to certain conditions set forth in the related loan documents. The related borrower is generally required to deposit on a monthly basis an amount equal to one-twelfth of the annual premiums payable on insurance policies that the borrower is required to maintain. If an escrow was funded, the funds will be applied by the master servicer to pay for insurance premiums at the related mortgaged real property.

Under some of the other underlying mortgage loans, the insurance carried by the related borrower is in the form of a blanket policy. In these cases, the amount of the escrow is an estimate of the proportional share of the premium allocable to the mortgaged real property, or the borrower pays the premium directly. See “—Property Damage, Liability and Other Insurance” below.

Recurring Replacement Reserves. The column titled “Replacement Reserve (Monthly)” on Exhibit A-1 shows for each applicable underlying mortgage loan the reserve deposits that the related borrower has been or is required to make into a separate account for capital replacements and repairs.

In the case of some of the mortgaged real properties, those reserve deposits are initial amounts and may vary over time. In these cases, the related mortgage instrument and/or other related loan documents may provide for applicable reserve deposits to cease upon achieving predetermined maximum amounts in the related reserve account. Under some of the underlying mortgage loans, the related borrowers may be permitted to deliver letters of credit from third parties in lieu of establishing and funding the reserve accounts or may substitute letters of credit and obtain release of established reserve accounts.

Engineering/Deferred Maintenance Reserves. The column titled “Engineering Escrow/Deferred Maintenance” on Exhibit A-1 shows the engineering reserves established at the origination of the corresponding underlying mortgage loans for repairs and/or deferred maintenance items that are generally required to be corrected within 12 months from origination. In certain cases, the engineering reserve for a mortgaged real property may be less than the cost estimate in the related inspection report because—

- the mortgage loan seller may not have considered various items identified in the related inspection report significant enough to require a reserve;
- various items identified in the related inspection report may have been corrected; and/or
- the lender may have inflated the cost estimate to ensure the availability of adequate funds to complete the repairs.

In the case of some of the mortgaged real properties, the engineering reserve was a significant amount and substantially in excess of the cost estimate set forth in the related inspection report because the mortgage loan seller required the borrower to establish reserves for the completion of major work that had been commenced. In the case of some mortgaged real properties acquired with the proceeds of the related underlying mortgage loan, the related borrower escrowed an amount substantially in excess of the cost estimate set forth in the related inspection report because it contemplated completing repairs in addition to those shown in the related inspection report. Not all engineering reserves are required to be replenished. We cannot provide any assurance that the work for which reserves were required will be completed in a timely manner or that the reserved amounts will be sufficient to cover the entire cost of the required work.

Permitted Releases. With respect to all of the underlying mortgage loans in Loan Group 1, pursuant to the loan documents and a master cross-collateralization agreement, each borrower has the right to release the related mortgaged real property (a “Loan Group 1 Release Property”) from the lien of the cross-collateralization agreement

upon the satisfaction of certain conditions including, but not limited to (i) the indebtedness secured by the Loan Group 1 Release Property is paid in full including any accrued and unpaid interest and any prepayment premium, (ii) the payment by the related borrower of a \$20,000 administrative fee, (iii) the remaining mortgaged real properties in the Loan Group (the “Loan Group 1 Remaining Properties”) have an aggregate debt service coverage ratio of not less than 1.25x amortizing and 1.55x interest only and (iv) the Loan Group 1 Remaining Properties have an aggregate loan-to-value ratio that does not exceed 70.0%. In addition, pursuant to the loan documents, each borrower has the right to substitute the related mortgaged real property and replace it with another multifamily residential rental project (a “Loan Group 1 Substitute Property”) as security for the related underlying mortgage loan upon the satisfaction of certain conditions including, but not limited to (a) the payment by the related borrower of a non-refundable review fee equal to \$10,000, (b) the debt service coverage ratio of the Loan Group 1 Substitute Property at the time of the proposed substitution is at least equal to the greater of the debt service coverage ratio of the released mortgaged real property (1) at the time of origination or (2) at the time of the proposed substitution; and (c) the loan-to-value ratio of the Loan Group 1 Substitute Property is no more than the loan-to-value ratio of the released mortgaged real property (1) at the time of origination or (2) at the time of the proposed substitution. In connection with a substitution, the related borrower has a right to pledge to the lender certain “eligible securities,” as such term is defined in the underlying loan documents, to satisfy the related debt service coverage ratio and loan-to-value ratio requirements described above. Any such “eligible security” must mature on or before the maturity date of the underlying mortgage loan documents and be in the aggregate amount of not more than 33% of the outstanding principal balance of the underlying mortgage loan at the time of such substitution. In addition, in the event that the lender releases its lien from the related mortgaged real property prior to the substitution of the Loan Group 1 Substitute Property, the related borrower will have the right to provide to the lender a letter of credit from a lender-approved provider and in a form and amount acceptable to lender; *provided*, however, that such amount must equal or exceed the sum of (i) the unpaid principal balance of the underlying mortgage loan allocated to the related mortgaged real property, (ii) the yield maintenance owed as of the release date and (iii) 31-days interest based on the number of days in the month of the release date. Notwithstanding the foregoing, the unpaid principal balance of the indebtedness secured by the letter of credit must not equal or exceed 50% the principal balance of all of the underlying mortgage loans in Loan Group 1. In the event that the related borrower does not complete the substitution within 180 days of the release of the related mortgaged real property, the lender will apply the proceeds from the letter of credit to the principal balance of the underlying mortgage loan, including any applicable yield maintenance obligations.

With respect to all of the underlying mortgage loans in Loan Group 2, pursuant to the loan documents and a master cross-collateralization agreement, each borrower has the right to release the related mortgaged real property (a “Loan Group 2 Release Property”) from the lien of the cross-collateralization agreement upon the satisfaction of certain conditions including, but not limited to (i) the indebtedness secured by the Loan Group 2 Release Property is paid in full including any accrued and unpaid interest and any prepayment premium, (ii) the payment by the related borrower of a \$15,000 administrative fee, (iii) a release price equal to 110% of the outstanding principal balance of the indebtedness immediately prior to the release, (iv) the remaining mortgaged real properties in the Loan Group (the “Loan Group 2 Remaining Properties”) have an aggregate debt service coverage ratio of not less than 1.15x and (v) the Loan Group 2 Remaining Properties have an aggregate loan-to-value ratio that does not exceed 70.0%. The borrower may obtain the release of the Loan Group 2 Release Property without payment of either the remaining indebtedness or a release price if, after such release (a) the Loan Group 2 Remaining Properties have an aggregate debt service coverage ratio of not less than 1.20x, (b) the Loan Group 2 Remaining Properties have an aggregate loan-to-value ratio that does not exceed 65.0% and (c) the individual Loan Group 2 Release Property has a debt service coverage ratio of not less than 1.00x. In addition, pursuant to the loan documents, each borrower has the right to substitute the related mortgaged real property and replace it with another multifamily residential rental project (a “Loan Group 2 Substitute Property”) as security for the related underlying mortgage loan upon the satisfaction of certain conditions including, but not limited to (x) the payment by the related borrower of a non-refundable review fee equal to \$15,000, (y) the Loan Group 2 Substitute Property together with all Loan Group 2 Remaining Properties subject to the substitution agreement (the “Loan Group 2 Original Properties”) have an aggregate debt service coverage ratio of not less than 1.15x, and (z) the Loan Group 2 Substitute Property together with the Loan Group 2 Original Properties have an aggregate loan-to-value ratio that does not exceed 70.0%. If the lender consents to a substitution but the related borrower is unable to effect a contemporaneous substitution of the mortgaged real property with a Loan Group 2 Substitute Property, such borrower is permitted to cause the release of such mortgaged real property by replacing such property with an unconditional, irrevocable letter of credit. The letter of credit must be (i) in form and content acceptable to lender and (ii) from an issuer and accompanied by an

opinion of counsel to the issuer of the letter of credit acceptable to lender. The letter of credit must be for a term of not less than 210 days and in an amount equal to the entire outstanding indebtedness due on the date of the release of the Loan Group 2 Original Property, including the prepayment premium calculated as if the entire outstanding indebtedness was repaid on the date of the release of the related mortgaged real property. In lieu of a letter of credit, the lender may accept a guaranty in form and content acceptable to lender in the same amount described in the preceding sentence. Borrower is required to complete the substitution 210 days after the date of the release of the related mortgaged real property. In the event that the related borrower does not complete the substitution within the required amount of time, the lender will draw upon the letter of credit or collect under the guaranty, as applicable, and apply the proceeds to the payment of the outstanding principal balance of the indebtedness.

*Release of Property Through Prepayment.* All of the underlying mortgage loans permit the related borrower to obtain the release of all of the real property securing the underlying mortgage loan at any time upon the prepayment of such underlying mortgage loan in full, together with the payment of either a Yield Maintenance Charge or a Static Prepayment Premium as described in “—Prepayment Provisions” above.

*Due-on-Sale and Due-on-Encumbrance Provisions.* All of the underlying mortgage loans contain both a due-on-sale clause and a due-on-encumbrance clause. In general, except for any Requested Transfers discussed in the next paragraph and subject to the discussion under “—Permitted Additional Debt” below, these clauses either—

- permit the holder of the mortgage to accelerate the maturity of the subject underlying mortgage loan if the related borrower sells or otherwise transfers an interest in the corresponding mortgaged real property, borrower or controlling entity or encumbers the corresponding mortgaged real property without the consent of the holder of the mortgage, unless such sale, transfer or encumbrance is permitted by the loan documents; or
- unless permitted by the loan documents, prohibit the borrower from otherwise selling, transferring or encumbering the corresponding mortgaged real property without the consent of the holder of the mortgage.

All of the underlying mortgage loans permit one or more of the following types of transfers:

- transfer of the mortgaged real property if specified conditions are satisfied, without any adjustment to the interest rate or to any other economic terms of an underlying mortgage loan, which conditions typically include, among other things—
  1. the transferee meets lender’s eligibility, credit, management and other standards satisfactory to lender in its sole discretion;
  2. the transferee’s organization, credit and experience in the management of similar properties are deemed by the lender, in its discretion, to be appropriate to the overall structure and documentation of the existing financing;
  3. the corresponding mortgaged real property will be managed by a property manager meeting the requirements set forth in the loan documents; and
  4. the corresponding mortgaged real property, at the time of the proposed transfer, meets all standards as to its physical condition, occupancy, net operating income and the collection of reserves satisfactory to lender in its sole discretion;
- a transfer that occurs by devise, descent, or by operation of law upon the death of a natural person to one or more members of the decedent’s immediate family or to a trust or family conservatorship established for the benefit of such immediate family member or members, if specified conditions are satisfied, which conditions typically include, among other things—
  1. the property manager (or a replacement property manager approved by lender), if applicable, continues to be responsible for the management of the corresponding mortgaged real property, and such transfer may not result in a change in the day-to-day operations of the corresponding mortgaged real property; and

- 2. those persons responsible for the management and control of the applicable borrower remain unchanged as a result of such transfer, or any replacement management is approved by lender;
- any transfer of an interest in an applicable borrower or any interest in a controlling entity, such as the transfers set forth below:
  1. a sale or transfer to one or more of the transferor's immediate family members (a spouse, parent, child, stepchild, grandchild or step-grandchild);
  2. a sale or transfer to any trust having as its sole beneficiaries the transferor and/or one or more of the transferor's immediate family members (a spouse, parent, child, stepchild, grandchild or step-grandchild);
  3. a sale or transfer from a trust to any one or more of its beneficiaries who are immediate family members (a spouse, parent, child, stepchild, grandchild or step-grandchild) of the transferor;
  4. the substitution or replacement of the trustee of any trust with a trustee who is an immediate family member (a spouse, parent, child, stepchild, grandchild or step-grandchild) of the transferor;
  5. a sale or transfer to an entity owned and controlled by the transferor or the transferor's immediate family members (a spouse, parent, child, stepchild, grandchild or step-grandchild); or
  6. a transfer of non-controlling ownership interests in the related borrower;

if, in each case, specified conditions are satisfied. If title to the mortgaged real property is not being transferred, these conditions typically include, among other things, a specified entity or person retains control of the applicable borrower and manages the day-to-day operations of the corresponding mortgaged real property.

We make no representation as to the enforceability of any due-on-sale or due-on-encumbrance provision in any underlying mortgage loan.

*Permitted Additional Debt.*

**General.** Other than as described below, the underlying mortgage loans generally prohibit the borrowers from incurring, without lender consent, any additional debt secured or unsecured, direct or contingent other than (i) permitted subordinate supplemental mortgages, as described under “—Permitted Subordinate Mortgage Debt” below, and (ii) customary unsecured trade payables incurred in the ordinary course of owning and operating the corresponding mortgaged real property that do not exceed, in the aggregate, at any time a maximum amount of up to 2.0% of the original principal amount of the corresponding underlying mortgage loan and are paid within 60 days of the date incurred.

Each unsecured debt creditor could cause the related borrower to seek protection under the applicable bankruptcy laws. See “Risk Factors—Risks Related to the Underlying Mortgage Loans—The Type of Borrower May Entail Risk” in this information circular.

**Permitted Subordinate Mortgage Debt.** The borrowers under all of the underlying mortgage loans are generally not permitted to incur additional indebtedness secured by the related mortgaged real properties without the consent of the lender. Under the Pooling and Servicing Agreement, the master servicer (with the consent of Freddie Mac, in the case of a Third Party Master Servicer), may allow the borrower on each of the underlying mortgage loans to incur additional limited amount of indebtedness based on the satisfaction of the requirements of the lender, with respect to loan-to-value ratios, debt service coverage ratios, execution of an intercreditor agreement and certain other conditions. A default under the subordinate loan documents will constitute a default under the related senior underlying mortgage loan. The related intercreditor agreement will provide that the subordinate debt may be transferred to certain “qualified transferees” meeting certain minimum net worth requirements or other criteria set forth in such intercreditor agreement. Freddie Mac may subsequently transfer the junior lien loans it holds in secondary market transactions, including securitizations.

The loan documents require that any such subordinate debt be governed by an intercreditor agreement which will, in general, govern the respective rights of the holder of the subordinate loan and the issuing entity as the holder of the underlying mortgage loan. The following paragraphs describe certain provisions that will be included in the intercreditor agreements, but they do not purport to be complete and are subject, and qualified in their entirety by reference to the actual provisions of each intercreditor agreement. The issuing entity as the holder of the Senior Loan is referred to in these paragraphs as the "Senior Loan Holder" and the related underlying mortgage loan included in the issuing entity is referred to as the "Senior Loan." Any related subordinate loan is referred to as the "Junior Loan" and any "Junior Loan Holder" means the holder of the most subordinate Junior Loan related to such Senior Loan.

**Allocations of Payments.** The right of any holder of a Junior Loan to receive payments of interest, principal and other amounts will be subordinated to the rights of the Senior Loan Holder. Generally, as long as no event of default has occurred under the Senior Loan or a Junior Loan, the related borrower will make separate payments of principal and interest to any holder of a Junior Loan and the Senior Loan Holder, respectively. If an event of default occurs with respect to the Senior Loan or a Junior Loan, or the related borrower becomes a subject of any bankruptcy, insolvency or reorganization proceeding, then, prior to any application of payments to a Junior Loan, all amounts tendered by the related borrower or otherwise available for payment will be applied, net of certain amounts, to satisfy the interest (other than Default Interest), principal and other amounts owed with respect to the related Senior Loan until these amounts are paid in full. Any payments received by any holder of a Junior Loan during this time are required to be forwarded to the Senior Loan Holder.

**Modifications.** The Senior Loan Holder will be permitted to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver of any term or provision of any Senior Loan without the consent of the Junior Loan Holder unless such modification will (i) increase the interest rate or principal amount of the Senior Loan, (ii) increase in any other material respect any monetary obligations of related borrower under the Senior Loan, (iii) extend or shorten the scheduled maturity date of the Senior Loan (other than pursuant to extension options exercised in accordance with the terms and provisions of the related loan documents), (iv) convert or exchange the Senior Loan into or for any other indebtedness or subordinate any of the Senior Loan to any indebtedness of related borrower, (v) amend or modify the provisions limiting transfers of interests in the related borrower or the related mortgaged real property, (vi) modify or amend the terms and provisions of the Senior Loan cash management agreement with respect to the manner, timing and method of the application of payments under the related loan documents, (vii) cross-default the Senior Loan with any other indebtedness, (viii) consent to a higher strike price with respect to any new or extended interest rate cap agreement entered into in connection with the extended term of the Senior Loan, (ix) obtain any contingent interest, additional interest or so-called "kicker" measured on the basis of the cash flow or appreciation of the mortgaged real property (or other similar equity participation), or (x) extend the period during which voluntary prepayments are prohibited or during which prepayments require the payment of a Static Prepayment Premium or Yield Maintenance Charge or increase the amount of any such Static Prepayment Premium or Yield Maintenance Charge. However, in no event will the Senior Loan Holder be obligated to obtain the Junior Loan Holder's consent in the case of a workout or other surrender, compromise, release, renewal, or modification of the Senior Loan during the existence of a continuing Senior Loan event of default, except that under all conditions Senior Loan Holder will obtain the Junior Loan Holder's consent to a modification with respect to clause (i) (with respect to increasing the principal amount of the Senior Loan only) and clause (x) of this paragraph.

Any holder of a Junior Loan will be permitted to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver of any term or provision of any Junior Loan without the consent of the Senior Loan Holder unless such modification will (i) increase the interest rate or principal amount of such Junior Loan, (ii) increase in any other material respect any monetary obligations of related borrower under the related loan documents with respect to such Junior Loan, (iii) extend or shorten the scheduled maturity date of such Junior Loan (other than pursuant to extension options exercised in accordance with the terms and provisions of the related loan documents), (iv) convert or exchange such Junior Loan into or for any other indebtedness or subordinate any Junior Loan to any indebtedness of the related borrower, (v) amend or modify the provisions limiting transfers of interests in the related borrower or the related mortgaged real property, (vi) consent to a higher strike price with respect to any new or extended interest rate cap agreement entered into in connection with the extended term of such Junior Loan, (vii) cross-default such Junior Loan with any other indebtedness, (viii) obtain any contingent interest, additional interest or so-called "kicker" measured on the basis of the cash flow or appreciation of the related mortgaged real property (or other similar equity participation) or (ix) extend the period

during which voluntary prepayments are prohibited or during which prepayments require the payment of any type of prepayment premium or yield maintenance charge or increase the amount of any such prepayment premium or yield maintenance charge. However, in no event will any holder of a Junior Loan be obligated to obtain the Senior Loan Holder's consent to a modification or amendment in the case of a workout or other surrender, compromise, release, renewal, or modification of such Junior Loan if an event of default has occurred and is continuing with respect to such Junior Loan, except that under all conditions any holder of a Junior Loan will be required to obtain the Senior Loan Holder's consent to a modification with respect to clause (i) (with respect to increasing the principal amount of such Junior Loan only), clause (ii), clause (iii) (with respect to shortening the scheduled maturity date of such Junior Loan only), clause (iv), clause (viii) and clause (ix) of this paragraph.

**Cure.** Upon the occurrence of any default that would permit the Senior Loan Holder under the related loan documents to commence an enforcement action, a holder of a Junior Loan will have the right to receive notice from the Senior Loan Holder of the default and the right to cure that default after or prior to the expiration of the related borrower's cure period or in some cases for a period extending beyond the related borrower's cure period. The Junior Loan Holder generally will have a specified period of time, set forth in the related intercreditor agreement, to cure any default, depending on whether the default is monetary or non-monetary. The Junior Loan Holder is prohibited from curing monetary defaults for longer than four consecutive months. Before the lapse of such cure period, neither the master servicer nor the special servicer may foreclose on the related mortgaged real property or exercise any other remedies with respect to the mortgaged real property.

**Purchase Option.** If the Senior Loan becomes a Defaulted Loan (in accordance with the Pooling and Servicing Agreement), pursuant to the intercreditor agreement and the Pooling and Servicing Agreement, (i) the Junior Loan Holder will have an option to purchase the Senior Loan at a purchase price equal to at least the Purchase Price of such Senior Loan, in accordance with the bidding procedures described in "The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option" in this information circular and (ii) the Junior Loan Holder will have the first option to purchase such Defaulted Loan at the Purchase Price.

*Cross-Collateralization and Cross-Default of Certain Underlying Mortgage Loans.* The underlying mortgage loans in each Loan Group are cross-collateralized and cross-defaulted with each other. Because certain states exact a mortgage recording or documentary stamp tax based on the principal amount of debt secured by a mortgage, the individual mortgages recorded with respect to certain of these crossed underlying mortgage loans collateralized by mortgaged real properties in such states may secure an amount less than the total initial principal balance of those crossed underlying mortgage loans. For the same reason, the mortgages recorded with respect to certain underlying mortgage loans may secure only a multiple of the initial principal balance of the note applicable to the related mortgaged real property rather than the entire initial principal balance of those crossed underlying mortgage loans. See "Risk Factors—Risks Related to the Underlying Mortgage Loans—Enforceability of Cross-Collateralization Provisions May Be Challenged and the Benefits of These Provisions May Otherwise Be Limited," "Description of the Underlying Mortgage Loans—Cross-Collateralized Mortgage Loans and Underlying Mortgage Loans Made to Borrowers under Common Ownership" and "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions" in this information circular.

*Property Damage, Liability and Other Insurance.* The loan documents for each of the underlying mortgage loans generally require that with respect to the related mortgaged real property the related borrower maintain property damage, flood (if any portion of the improvements of the subject property is in a flood zone), commercial general liability and business income/rental value insurance in the amounts required by the loan documents, subject to exceptions in some cases for tenant insurance.

We cannot assure you regarding the extent to which the mortgaged real properties will be insured against earthquake risks. With respect to the underlying mortgage loans secured by the mortgaged real properties identified on Exhibit A-1 as "Mill Creek Apartments," "Bella Vista At Warner Ridge," "Olympus Towers," "Hathaway Apartments," "Summerset Village," "Versailles," "Artisan Square," "Woodleaf Apartments," collectively representing 66.6% of the initial Loan Group 1 balance, and "Toscana Apartments," "Siena Terrace," "Skyview Apartments," "Versailles Koreatown Apartments," "Del Mar Ridge," "Heights On Capitol Hill," "Avanti" and "Metro On First," collectively representing 73.8% of the initial Loan Group 2 balance, each such mortgaged real property is partially or fully located in seismic zones 3 or 4 or a geographic location with a horizontal peak ground acceleration equal to or greater than 0.15g and a seismic assessment was performed to assess the scenario expected loss or probable maximum loss. Earthquake insurance was not required with respect to the mortgaged real properties

located in seismic zones 3 or 4 or a geographic location with a horizontal peak ground acceleration equal to or greater than 0.15g for which a scenario expected loss assessment or a probable maximum loss assessment was performed because the scenario expected loss or probable maximum loss for each of those mortgaged real properties is less than or equal to 20% of the amount of the replacement cost of the improvements. With respect to 3 underlying mortgage loans collectively representing 31.4% of the initial Loan Group 1 balance and 1 underlying mortgage loans collectively representing 9.2% of the initial Loan Group 2 balance, earthquake insurance was required with respect to the mortgaged real properties located in seismic zones 3 or 4 or a geographic location with a horizontal peak ground acceleration equal to or greater than 0.15g for which a scenario expected loss assessment or a probable maximum loss assessment was performed.

In addition, we cannot assure you regarding the extent to which the mortgaged real properties will be insured against flood risks.

Subject to the discussion below regarding insurance for acts of terrorism, the master servicer will be required to use reasonable efforts in accordance with the Servicing Standard to cause each borrower to maintain, and, if such borrower does not so maintain, the master servicer will itself cause to be maintained, for each mortgaged real property (including each mortgaged real property relating to any Specially Serviced Mortgage Loan) all insurance coverage as is required under the related loan documents or the Servicing Standard. The master servicer will not be required to require the related borrower to obtain or maintain earthquake or flood insurance coverage that is not available at commercially reasonable rates, as determined by the master servicer in accordance with the Servicing Standard. If such borrower fails to do so, the master servicer must maintain that insurance coverage, to the extent—

- the trustee has an insurable interest;
- the insurance coverage is available at commercially reasonable rates, as determined by the master servicer in accordance with the Servicing Standard; and
- any related Servicing Advance is deemed by the master servicer to be recoverable from collections on the related underlying mortgage loan.

However, the master servicer will not be required to declare a default under an underlying mortgage loan if the related borrower fails to maintain insurance providing for coverage for property damage resulting from a terrorist or similar act, and the master servicer need not maintain (or require the borrower to obtain) such insurance, if the special servicer has determined (after due inquiry in accordance with the Servicing Standard), in accordance with the Servicing Standard, that either:

- such insurance is not available at commercially reasonable rates and such hazards are not at the time commonly insured against for properties similar to the related mortgaged real property and located in and around the region in which the mortgaged real property is located; or
- such insurance is not available at any rate.

The insurance coverage required to be maintained by the borrowers may not cover any physical damage resulting from, among other things, war, revolution, or nuclear, biological, chemical or radiological materials. In addition, even if a type of loss is covered by the insurance policies required to be in place at the mortgaged real property, the mortgaged real property may suffer losses for which the insurance coverage is inadequate. For example, in the case where terrorism coverage is included under a policy, if the terrorist attack is, for example, nuclear, biological or chemical in nature, the policy may include an exclusion that precludes coverage for such terrorist attack.

Various forms of insurance maintained with respect to one or more of the mortgaged real properties, including casualty insurance, may be provided under a blanket insurance policy. That blanket insurance policy will also cover other real properties, some of which may not secure underlying mortgage loans. As a result of total limits under any of those blanket policies, losses at other properties covered by the blanket insurance policy may reduce the amount of insurance coverage with respect to a property securing one of the underlying mortgage loans.

The underlying mortgage loans generally provide that insurance and condemnation proceeds are to be applied either—

- to restore the related mortgaged real property (with any balance to be paid to the borrower); or
- towards payment of the underlying mortgage loan.

With respect to any REO Property, the special servicer will be required to maintain one or more insurance policies sufficient to provide no less coverage than was previously required of the borrower under the related loan documents or any such lesser amount of coverage previously required by the master servicer when such REO Loan was a non-Specially Serviced Mortgage Loan, *provided* that such coverage is available at commercially reasonable rates and to the extent the trustee as mortgagee of record on behalf of the issuing entity has an insurable interest. The special servicer, to the extent consistent with the Servicing Standard, may maintain earthquake insurance on REO Properties, provided that coverage is available at commercially reasonable rates and to the extent the trustee as mortgagee of record on behalf of the issuing entity has an insurable interest.

The master servicer and the special servicer may each satisfy its obligations regarding maintenance of the property damage insurance policies by maintaining a lender placed insurance policy that provides protection equivalent to the individual policies otherwise required by the loan documents or the Servicing Standard (including containing a deductible clause consistent with the Servicing Standard) insuring against hazard losses with respect to all of the mortgaged real properties and/or REO Properties in the issuing entity for which it is responsible. Solely in the event that Accepted Servicing Practices is the applicable Servicing Standard, the deductible clause (if any) in the lender placed insurance policy referred to in the preceding sentence is required to be in an amount not in excess of customary amounts, in which case if (i) an insurance policy complying with the loan documents or the Servicing Standard or, in the case of REO Properties, as permitted by the Pooling and Servicing Agreement or consistent with the Servicing Standard, if applicable, is not maintained on the related mortgaged real property or REO Property and (ii) there are losses which would have been covered by such insurance policy had it been maintained, the master servicer or the special servicer, as applicable, must deposit into the collection account from the master servicer's or the special servicer's, as applicable, own funds the portion of such loss or losses that would have been covered under such insurance policy but is not covered under the lender placed insurance policy because such deductible exceeds the deductible limitation required by the related loan documents or the Servicing Standard or, in the case of REO Properties, as permitted by the Pooling and Servicing Agreement or, in the absence of any such deductible limitation, the deductible limitation which is consistent with the Servicing Standard. Any incremental costs (excluding any minimum or standby premium payable for a lender placed insurance policy, whether or not any mortgaged real property or REO Property is covered thereby) incurred by the master servicer or the special servicer, as applicable, if such master servicer or special servicer causes any mortgaged real property or REO Property to be covered by a lender placed insurance policy will be paid by the master servicer as a Servicing Advance (subject to a nonrecoverability determination).

## **Mortgage Pool Characteristics**

Exhibits A-1 and A-2 present in detail various characteristics of the underlying mortgage loans and of the corresponding mortgaged real properties, on an individual basis and in tabular format. The statistics in the tables and schedules on Exhibits A-1 and A-2 were derived, in many cases, from information and operating statements furnished by or on behalf of the respective borrowers. The information and the operating statements were generally unaudited and have not been independently verified by us or Freddie Mac.

## **Additional Loan and Property Information**

*Borrower Structures.* With respect to 7 of the underlying mortgage loans, collectively representing 63.2% of the initial Loan Group 1 balance and 8 of the underlying mortgage loans, collectively representing 90.3% of the initial Loan Group 2 balance, the related borrower is a single asset entity whose only asset is the related mortgaged real property. However, additional debt may be undertaken by such borrower which may increase the possibility that the borrower may become bankrupt or insolvent. Such borrower is not permitted to (i) own any real or personal property other than the related mortgaged real property and personal property related to the operation and maintenance of such mortgaged real property, (ii) operate any business other than the management and operation of such mortgaged real property or (iii) maintain its assets in a way that is difficult to segregate and identify.

With respect to 4 of the underlying mortgage loans, collectively representing 36.8% of the initial Loan Group 1 balance and 2 of the underlying mortgage loans, collectively representing 9.7% of the initial Loan Group 2 balance, the related borrower is a multiple asset entity which owns assets other than the mortgaged real property. Additional debt may be undertaken by the borrower which may increase the possibility that the borrower may become bankrupt or insolvent. We cannot assure you that these circumstances will not adversely impact operations at or the value of the mortgaged real property.

See “Risk Factors—Risks Related to the Underlying Mortgage Loans—The Type of Borrower May Entail Risk” in this information circular for a further description of each of these borrower structures.

*Delinquencies.* None of the underlying mortgage loans was, as of November 1, 2017, 30 days or more delinquent with respect to any monthly debt service payment.

*Title, Survey and Similar Issues.* The permanent improvements on certain of the mortgaged real properties may encroach over an easement or a setback line or onto another property. In other instances, certain oil, gas or water estates may affect a property. Generally, in those cases, either (i) the related lender’s title policy insures against loss if a court orders the removal of the improvements causing the encroachment or (ii) the respective title and/or survey issue was analyzed by the originating lender and determined not to materially affect the respective mortgaged real property for its intended use. There is no assurance, however, that any such analysis in this regard is correct, or that such determination was made in each and every case.

*Restrictive Covenants and Contractual Covenants.* Some of the multifamily rental properties that secure the underlying mortgage loans may be subject to land use restrictive covenants or contractual covenants.

For example, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “The Reserve At Fairfax Corner,” representing approximately 17.0% of the initial Loan Group 1 balance, such mortgaged real property is subject to a land use restriction agreement in favor of the Fairfax County Redevelopment and Housing Authority. The sponsor of the borrower reported that the agreement generally requires that (i) at least 14 units be reserved for tenants earning no more than 50.0% of the area median income and (ii) at least 27 units be reserved for tenants earning no more than 65.0% of the area median income, subject to certain rental restrictions. The sponsor of the borrower reported that the agreement is scheduled to terminate on May 12, 2020.

In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Bella Vista At Warner Ridge,” representing approximately 11.6% of the initial Loan Group 1 balance, such mortgaged real property is subject to a land use restriction agreement in favor of the City of Los Angeles. The agreement generally requires that (i) at least 13 units be reserved for tenants earning no more than 120.0% of the area median income and (ii) at least 12 units be reserved for tenants earning no more than 80.0% of the area median income, subject to certain rental restrictions. The agreement is scheduled to terminate 30 years after the issuance of the mortgaged real property’s certificate of occupancy.

In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Versailles,” representing approximately 6.1% of the initial Loan Group 1 balance, such mortgaged real property is subject to a land use restriction agreement in favor of the City of Los Angeles. The agreement generally requires that at least 38 units be reserved for tenants earning no more than 80.0% of the area median income, subject to certain rental restrictions. The agreement is scheduled to terminate 30 years from the date of the certificate of occupancy issued for the mortgaged real property.

In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Toscana Apartments,” representing approximately 19.6% of the initial Loan Group 2 balance, such mortgaged real property is subject to a deed restriction made in connection with the construction of the mortgaged real property. The deed restriction generally requires that (i) at least 56 units be reserved for tenants earning no more than 50.0% of the area median income and (ii) at least 28 units be reserved for tenants earning no more than 80.0% of the area median income, subject to certain rental restrictions. The deed restriction is scheduled to terminate on June 23, 2048.

In addition, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Versailles Koreatown Apartments,” representing approximately 9.2% of the initial Loan Group 2 balance, such mortgaged real property is subject to a land use restriction agreement in favor of the City of Los Angeles. The agreement generally requires that at least 8 units be reserved for tenants earning no more than 50.0% of the area median income, subject to certain rental restrictions. The agreement is scheduled to terminate 30 years from the issuance of the mortgaged real property’s certificate of occupancy.

*Rental Subsidy Programs.* Some of the mortgaged real properties may have tenants that rely on rent subsidies under various government funded programs, including Section 8. In addition, with respect to certain of the underlying mortgage loans, the borrower may receive subsidies or other assistance from government programs.

*Tax Abatements and Exemptions.* Some of the mortgaged real properties that secure the underlying mortgage loans may entitle or may have entitled their owners to receive tax abatements or exemptions or may be subject to reduced taxes in connection with a “payment in lieu of taxes” (“PILOT”) agreement.

*Redevelopment or Renovation.* Certain mortgaged real properties are subject to current or future redevelopment, renovation or construction. For example, with respect to the underlying mortgage loan secured by the mortgaged real property identified on Exhibit A-1 as “Summerset Village,” representing approximately 7.6% of the initial Loan Group 1 balance, the sponsor of the related borrower reported that the mortgaged real property currently has 5 unavailable units due to a fire.

## **Underwriting Matters**

*General.* Each underlying mortgage loan was originated by the applicable Originator substantially in accordance with the standards in the Freddie Mac Act and the Guide, each as described in “Description of the Mortgage Loan Seller and Guarantor—Mortgage Loan Purchase and Servicing Standards of the Mortgage Loan Seller” in this information circular. In connection with the origination or acquisition of each of the underlying mortgage loans, the applicable Originator or acquiror of the underlying mortgage loan evaluated the corresponding mortgaged real property or properties in a manner generally consistent with the standards described in this “—Underwriting Matters” section.

The information provided by us in this information circular regarding the condition of the mortgaged real properties, any environmental conditions at the mortgaged real properties, valuations of or market information relating to the mortgaged real properties or legal compliance of the mortgaged real properties is based on reports described below under “—Environmental Assessments,” “—Property Condition Assessments,” “—Appraisals and Market Studies” and “—Zoning and Building Code Compliance,” provided by certain third-party independent contractors. Such reports have not been independently verified by any of the parties to the Pooling and Servicing Agreement, the mortgage loan seller or the affiliates of any of these parties.

Subject to certain exceptions, the property condition assessments and appraisals described in this section were generally performed in connection with the origination of the underlying mortgage loans, which were originated, in the case of Loan Group 1, on June 29, 2009 and in the case of Loan Group 2, on March 10, 2008. Neither we nor the mortgage loan seller obtained updated property condition assessments, appraisals or appraised values in connection with this securitization. We cannot assure you that the information in such property condition assessments, appraisals reflect the current condition of or estimate of the value of the mortgaged real properties.

*Environmental Assessments.* With respect to all of the mortgaged real properties, Phase I ESAs were prepared in connection with the origination of the underlying mortgage loans. The ESAs, meeting criteria consistent with the Servicing Standard, were prepared pursuant to ASTM International standards for ESAs. In addition to the Phase I standards, many of the environmental reports included additional research, such as limited sampling for asbestos-containing material, lead-based paint and radon, depending on the property use and/or age. We cannot assure you that the environmental assessments or investigations, as applicable, identified all environmental conditions and risks at, or that any environmental conditions will not have a material adverse effect on the value of or cash flow from, one or more of the mortgaged real properties.

If the environmental investigations or assessments described in this information circular identified material adverse or potentially material adverse environmental conditions at or with respect to any of the respective mortgaged real properties securing an underlying mortgage loan or at a nearby property with potential to affect a

mortgaged real property, then the applicable Originator may have taken or caused to be taken one or more of the following actions:

- an environmental consultant investigated those conditions and recommended no further investigations or remediation;
- an operation and maintenance plan or other remediation was required and/or an escrow reserve was established to cover the estimated costs of obtaining that plan and/or effecting that remediation;
- those conditions were remediated or abated prior to the Closing Date;
- a letter was obtained from the applicable regulatory authority stating that no further action was required;
- another responsible party has agreed to indemnify the holder of the underlying mortgage loan from any losses that such party suffers as a result of such environmental conditions;
- an environmental insurance policy was obtained with respect to the mortgaged real property;
- in those cases in which it was known that an offsite property is the location of a leaking underground storage tank (“UST”) or groundwater contamination, a responsible party other than the related borrower has been identified under applicable law, and generally one or more of the following are true—
  1. that condition is not known to have affected the mortgaged real property; or
  2. the responsible party has either received a letter from the applicable regulatory agency stating no further action is required, established a remediation fund, engaged in responsive remediation, or provided an indemnity or guaranty to the borrower or the mortgagee/lender; and/or
- in those cases involving underlying mortgage loans with an original principal balance of less than \$1,000,000, the borrower expressly agreed to comply with all federal, state and local statutes or regulations respecting the identified adverse environmental conditions.

With respect to some of the mortgaged real properties, the related ESAs may have noted that onsite USTs or leaking USTs previously had been removed or closed in place or other types of potential or actual spills or releases may have occurred, and based on criteria such as experience with past investigations, cleanups or other response actions, the quantities or types of hazardous materials involved, the absence of significant risk, tank test results or other records, and/or other circumstances including regulatory closure, the ESAs did not recommend any further investigation or other action. In some such cases, even where regulatory closure was documented for past incidents the ESAs may have reported that requests to governmental agencies for any related files are pending. However, those ESAs nevertheless concluded that such incidents were not likely to be significant at the time they were prepared.

In addition, with respect to 3 of the underlying mortgage loans, collectively representing 36.2% of the initial Loan Group 1 balance, each of the related borrowers was, at the time of origination, conducting short or long term radon testing at the related mortgaged real property or has conducted radon testing and further remediation is required. Pursuant to the related repair agreement entered into at origination, if the lender is or was advised and determines or has determined that the radon testing indicates further remediation is necessary, the borrower is required to (i) provide the lender with a signed, binding, fixed price radon remediation contract with a qualified service provider, (ii) complete such remediation work within a specified time frame and (iii) enter into an operations and maintenance agreement with respect to such remediation work.

The Pooling and Servicing Agreement will require that the special servicer obtain an ESA of a mortgaged real property within 12 months prior to acquiring title to the property or assuming its operation. This requirement precludes enforcement of the security for the related underlying mortgage loan until a satisfactory ESA is obtained or until any required remedial action is taken. We cannot assure you that the requirements of the Pooling and Servicing Agreement will effectively insulate the issuing entity from potential liability for a materially adverse environmental condition at any mortgaged real property.

*Property Condition Assessments.* With respect to all of the mortgaged real properties, a third-party engineering firm inspected the property to assess exterior walls, roofing, interior construction, mechanical and electrical systems and general condition of the site, buildings and other improvements located at each of the mortgaged real properties in connection with the origination of the underlying mortgage loans.

The inspections identified various deferred maintenance items and necessary capital improvements at some of the mortgaged real properties. The resulting inspection reports generally included an estimate of cost for any recommended repairs or replacements at a mortgaged real property. When repairs or replacements were recommended and deemed material by the applicable Originator, the related borrower was required to carry out necessary repairs or replacements and, in some instances, to establish reserves, generally in the amount of 100% to 125% of the cost estimated in the inspection report, to fund deferred maintenance or replacement items that the reports characterized as in need of prompt attention. See the columns titled “Engineering Escrow/Deferred Maintenance,” “Replacement Reserve (Initial)” and “Replacement Reserve (Monthly)” on Exhibit A-1. We cannot assure you that another inspector would not have discovered additional maintenance problems or risks, or arrived at different, and perhaps significantly different, judgments regarding the problems and risks disclosed by the respective inspection reports and the cost of corrective action. In addition, some of the required repairs or replacements may be in progress as of the date of this information circular, and we cannot assure you that the related borrowers will complete any such required repairs or replacements in a timely manner or in accordance with the requirements set forth in the loan documents.

*Appraisals and Market Studies.* With respect to each of the mortgaged real properties, an independent appraiser that is state-certified and/or a member of the American Appraisal Institute conducted an appraisal in connection with the origination of the underlying mortgage loan, in order to establish an appraised value with respect to the related mortgaged real properties.

Those appraisals are the basis for the Appraised Values for the respective mortgaged real properties set forth on Exhibit A-1 and were performed on the dates set forth on Exhibit A-1.

In general, appraisals seek to establish the amount a typically motivated buyer would pay a typically motivated seller. However, this amount could be significantly higher than the amount obtained from the sale of a particular mortgaged real property under a distress or liquidation sale. Implied in the Appraised Values shown on Exhibit A-1, is the contemplation of a sale at a specific date and the passing of ownership from seller to buyer under the following conditions:

- buyer and seller are motivated;
- both parties are well informed or well advised, and each is acting in what he considers his own best interests;
- a reasonable time is allowed to show the property in the open market;
- payment is made in terms of cash in U.S. dollars or in comparable financial arrangements; and
- the price paid for the property is not adjusted by special or creative financing or sales concessions granted by anyone associated with the sale.

In certain cases, appraisals may reflect “as-is,” “as stabilized” or other values which may contain certain assumptions, such as future construction completion, projected re-tenanting or increased tenant occupancies. We cannot assure you that any assumption is or will be accurate or that the “as is,” “as stabilized” or other value will be the value of such mortgaged real property at the indicated stabilization date. See “Risk Factors—Risks Related to the Underlying Mortgage Loans—Appraisals and Market Studies May Inaccurately Reflect the Current or Prospective Value of the Mortgaged Real Properties” in this information circular.

Each appraisal of a mortgaged real property referred to above involved a physical inspection of the property and reflects a correlation of the values established through the Sales Comparison Approach, the Income Approach and/or the Cost Approach.

In the case of each of the underlying mortgage loans for which an appraisal was obtained, either the appraisal itself or a separate letter contains a statement to the effect that the appraisal guidelines set forth in Title XI of the

Financial Institutions Reform, Recovery and Enforcement Act of 1989 were followed in preparing that appraisal. However, we have not independently verified the accuracy of this statement.

In the case of any underlying mortgage loan, the related borrower may have acquired the mortgaged real property at a price less than the Appraised Value on which the underlying mortgage loan was underwritten.

We cannot assure you that information regarding Appraised Values accurately reflects past, present or future market values of the mortgaged real properties. Additionally, with respect to the appraisals setting forth assumptions as to the "as-is," "as stabilized" or other values, we cannot assure you that such assumptions are or will be accurate or that the "as-is," "as stabilized" or other values will be the value of the related mortgaged real property at any indicated stabilization date.

*Zoning and Building Code Compliance.* In connection with the origination of each underlying mortgage loan, the applicable Originator examined whether the use and operation of the related mortgaged real property were in material compliance with zoning, land-use, building, fire and health ordinances, rules, regulations and orders then-applicable to the mortgaged real property. Evidence of this compliance may have been in the form of certifications and other correspondence from government officials or agencies, title insurance endorsements, engineering, consulting or zoning reports, appraisals, legal opinions, surveys, recorded documents, temporary or permanent certificates of occupancy and/or representations by the related borrower. Where a material noncompliance was found or the property as currently operated is a legal non-conforming use and/or structure, an analysis was generally conducted as to—

- whether, in the case of material noncompliance, such noncompliance constitutes a legal non-conforming use and/or structure, and if not, whether an escrow or other requirement was appropriate to secure the taking of necessary steps to remediate any material noncompliance or constitute the condition as a legal non-conforming use or structure;
- the likelihood that a material casualty would occur that would prevent the property from being rebuilt in its current form; and
- whether existing replacement cost property damage insurance or, if necessary, supplemental law or ordinance coverage would, in the event of a material casualty, be sufficient—
  1. to satisfy the entire underlying mortgage loan; or
  2. taking into account the cost of repair, to pay down the underlying mortgage loan to a level that the remaining collateral would be adequate security for the remaining loan amount.

We cannot assure you that any such analysis in this regard is correct, or that the above determinations were made in each and every case.

### **Significant Underlying Mortgage Loans**

For summary information on all of the underlying mortgage loans, comprising both Loan Groups, see Exhibit A-3.

### **Originators**

*Berkeley Point Capital LLC.* Berkeley Point Capital LLC, a Delaware limited liability company ("Berkeley Point") originated all of the underlying mortgage loans in Loan Group 1. Berkeley Point is expected to sub-service the underlying mortgage loans it originated, but is not an affiliate of the issuing entity, the depositor, the trustee, the custodian, the certificate administrator or the mortgage loan seller. Berkeley Point and its predecessors have been engaged in the origination of multifamily mortgage loans since 1987. Since 2010, Berkeley Point has originated approximately \$15.2 billion in multifamily mortgage loans for sale to Freddie Mac, of which approximately \$13.1 billion have been sold to Freddie Mac for securitization in transactions similar to this transaction. With respect to the multifamily mortgage loans that Berkeley Point originates for sale to Freddie Mac, Berkeley Point originates such mortgage loans substantially in accordance with the standards in the Freddie Mac Act and the Guide as described in "Description of the Mortgage Loan Seller and Guarantor—Mortgage Loan Purchase and Servicing

Standards of the Mortgage Loan Seller” in this information circular. Mortgage loans originated for purchase by Freddie Mac are underwritten to the standards of a prudent commercial real estate lender, with specific focus on complying with the standards and requirements of the Guide, and program requirements for the specific transaction and product type, and are approved and purchased by Freddie Mac prior to each securitization. Berkeley Point’s Freddie Mac portfolio had a delinquency rate of 0% as of September 30, 2017. The underwriting standards of Berkeley Point are consistent with the standards and practices set forth in “—Underwriting Matters” in this information circular. With respect to the description of “—Underwriting Matters—Appraisals and Market Studies” above, an independent appraiser that is state certified and/or a member of the Appraisal Institute conducts an appraisal of each mortgaged real property generally within 90 days of the origination of the underlying mortgage loan, but the Guide permits appraisals to be within 180 days of origination and some appraisals may predate the origination of the underlying mortgage loan by as much as 180 days. Appraisals are conducted in order to establish an appraised value with respect to all of the mortgaged real properties securing the underlying mortgage loans.

The information set forth above in this section “Description of the Underlying Mortgage Loans—Originators—Berkeley Point Capital LLC” has been provided by Berkeley Point. Neither the depositor nor any other person other than Berkeley makes any representation or warranty as to the accuracy or completeness of such information.

*Wells Fargo Bank, National Association.* Wells Fargo Bank, National Association, a national banking association organized under the laws of the United States of America (“Wells Fargo Bank”), originated all of the underlying mortgage loans in Loan Group 2. Wells Fargo Bank is a wholly-owned direct and indirect subsidiary of Wells Fargo & Company.

Since 2010 through September 30, 2017, Wells Fargo Bank originated approximately \$18.0 billion of mortgage loans for Freddie Mac secured by apartments, senior living facilities, student housing and manufactured housing communities. With respect to multifamily mortgage loans that Wells Fargo Bank originates for sale to Freddie Mac, Wells Fargo Bank originates such mortgage loans substantially in accordance with the standards in the Freddie Mac Act and the Guide as described in “Description of the Mortgage Loan Seller and Guarantor—Mortgage Loan Purchase and Servicing Standards of the Mortgage Loan Seller” in this information circular. Mortgage loans originated for purchase by Freddie Mac are underwritten to the standards of a prudent commercial real estate lender, with specific focus on complying with the standards and requirements of the Guide, and program requirements in effect as of the time of origination of the underlying mortgage loans for the specific transaction and product type, and are approved and purchased by Freddie Mac prior to each securitization. Wells Fargo Bank’s current portfolio of loans sold to Freddie Mac in its Capital Markets Execution program has a delinquency rate of 0% as of September 30, 2017. The underwriting standards of Wells Fargo Bank are consistent with the standards and practices set forth in “Underwriting Matters” in this information circular. With respect to the description of “Underwriting Matters—Appraisals and Market Studies” above, an independent appraiser that is state certified and/or a member of the Appraisal Institute conducts an appraisal of each mortgaged real property within 90 days of the origination of the underlying mortgage loan, in order to establish an appraised value with respect to all of the mortgaged real properties.

The information set forth above in this section “Description of the Underlying Mortgage Loans—Originators—Wells Fargo Bank, National Association” has been provided by Wells Fargo Bank. Neither the depositor nor any other person other than Wells Fargo Bank makes any representation or warranty as to the accuracy or completeness of such information.

### **Assignment of the Underlying Mortgage Loans**

On or before the Closing Date, the mortgage loan seller will transfer the underlying mortgage loans to us, and we will transfer all of the underlying mortgage loans to the trustee. The trustee will hold the underlying mortgage loans for the benefit of the certificateholders and Freddie Mac within the meaning of Section 1367(b)(19)(B) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended. In each case, the transferor will assign the underlying mortgage loans, without recourse, to the transferee.

In connection with these transfers, on the Closing Date or at such later date as is permitted under the Pooling and Servicing Agreement, the mortgage loan seller will generally be required to deliver or cause the delivery of the mortgage file to the custodian with respect to each of the underlying mortgage loans, which mortgage file will consist of the following documents, among others:

- either—
  1. the original promissory note, endorsed without recourse, representation or warranty (other than as set forth in the mortgage loan purchase agreement) to the order of the trustee or in blank, or
  2. if the original promissory note has been lost, a copy of that note (or an original or a copy of the consolidated debt instrument, as applicable), together with a lost note affidavit and indemnity;
- an original or copy of the mortgage instrument, and if the particular document has been returned from the applicable recording office, an original or copy of that document from the applicable recording office, and originals or copies or a counterpart of any intervening assignments of that document, in each case, with evidence of recording on the document or certified by the applicable recording office;
- an original of any related loan agreement (if separate from the related mortgage);
- an original or copy of the assignment of the related mortgage instrument in favor of the trustee or in blank, in recordable form except for any missing recording information relating to that mortgage instrument;
- originals or copies of all assumption agreements, modification agreements, written assurance agreements and substitution agreements, if any, in those instances where the terms or provisions of the related mortgage instrument, loan agreement or promissory note have been modified or the underlying mortgage loan has been assumed;
- with respect to any other debt of a borrower or mezzanine borrower permitted under the related underlying mortgage loan, an original or copy of a subordination agreement, standstill agreement or other intercreditor, co-lender or similar agreement relating to such other debt, if any, including any mezzanine loan documents, and a copy of the promissory note relating to such other debt (if such other debt is also secured by the related mortgage);
- original letters of credit, if any, relating to the underlying mortgage loans and all appropriate assignment or amendment documentation related to the assignment to the issuing entity of any letter of credit securing the underlying mortgage loan which entitle the issuing entity to draw on such letter of credit; *provided* that in connection with the delivery of the mortgage file to the issuing entity, such originals will be delivered to the master servicer and copies of such originals will be delivered to the custodian on behalf of the trustee;
- to the extent in the possession of the mortgage loan seller, the original or a copy of any environmental indemnity agreements and copies of any environmental insurance policies pertaining to the mortgaged real properties required in connection with the origination of the underlying mortgage loan, if any;
- to the extent in the possession of the mortgage loan seller, the original or a copy of each related cash management agreement, if any;
- to the extent in the possession of the mortgage loan seller, the original or copy of any (i) intercreditor agreements and any associated certificates, assignments, assumption agreements or other related documents, (ii) subordination agreement, standstill agreement or other intercreditor, co-lender or similar agreement related to any affiliate debt and (iii) indemnification agreement;
- an original or copy of the lender's title insurance policy or, if a title insurance policy has not yet been issued, a pro forma title policy or a "marked up" commitment for title insurance, which in either case is binding on the title insurance company;
- the original or a counterpart of any guaranty of the obligations of the borrower under the underlying mortgage loan, if any;

- an original or copy or a counterpart of the UCC financing statement and an original or copy or a counterpart of any intervening assignments from the applicable Originator to the mortgage loan seller, in the form submitted for recording, or if recorded, with evidence of recording indicated on such UCC financing statement or intervening assignment;
- an original or copy of the UCC financing statement assignments, sufficient to assign each UCC financing statement filed in connection with the related underlying mortgage loan to the trustee;
- the original or a copy of each related cash management agreement, if any;
- the original or a copy of each related insurance agreement, if any; and
- the original or a copy of the related cross-collateralization agreements, cross substitution agreements or other agreements governing the related Loan Group.

The custodian is required to hold all of the documents delivered to it with respect to the underlying mortgage loans in trust for the benefit of the certificateholders under the terms of the Pooling and Servicing Agreement. Within a specified period of time following that delivery, the custodian will be further required to conduct a review of those documents. The scope of the custodian's review of those documents will, in general, be limited solely to confirming that they have been received, that they appear regular on their face (handwritten additions, changes or corrections will not be considered irregularities if initiated by the borrower), that (if applicable) they appear to have been executed and that they purport to relate to an underlying mortgage loan. The trustee, the certificate administrator and the custodian are under no duty or obligation to inspect, review or examine any of the documents in the mortgage file to determine whether the document is valid, effective, enforceable, in recordable form or otherwise appropriate for the represented purpose.

If any of the above-described documents required to be delivered by the mortgage loan seller to the custodian is not delivered or is otherwise defective, and that omission or defect materially and adversely affects the value of the underlying mortgage loan, or the interests of any class of certificateholders,

then the omission or defect will constitute a material document defect as to which the issuing entity will have the rights against the mortgage loan seller as described under “—Cures, Repurchases and Substitutions” below.

Within a specified period of time as set forth in the Pooling and Servicing Agreement, the mortgage loan seller or a third-party independent contractor will be required to submit for recording in the real property records of the applicable jurisdiction each of the assignments of recorded loan documents in the trustee's favor described above.

### **Representations and Warranties**

As of the Closing Date (or as of the date otherwise indicated on Exhibit C-1 or in the mortgage loan purchase agreement), the mortgage loan seller will make, with respect to each underlying mortgage loan that it is selling to us for inclusion in the issuing entity, representations and warranties that are expected to be generally in the form set forth on Exhibit C-1, subject to exceptions that are expected to be generally in the form set forth on Exhibit C-2. The final forms of those representations and warranties and those exceptions will be made in the mortgage loan purchase agreement between Freddie Mac and us, and will be assigned by us to the trustee under the Pooling and Servicing Agreement. You should carefully consider both those representations and warranties and those exceptions.

If—

- there exists a breach of any of those representations and warranties made by the mortgage loan seller, and
- that breach materially and adversely affects the value of the underlying mortgage loan, or the interests of any class of certificateholders,

then that breach will be a material breach of the representation and warranty. The rights of the certificateholders against the mortgage loan seller with respect to any material breach are described under “—Cures, Repurchases and Substitutions” below.

## Cures, Repurchases and Substitutions

If the mortgage loan seller has been notified of, or itself has discovered, a defect in any mortgage file or a breach of any of its representations and warranties that, in either case, materially and adversely affects the value of any underlying mortgage loan (including any REO Property acquired in respect of any foreclosed mortgage loan) or any interests of the holders of any class of certificates in the applicable Certificate Group, then the mortgage loan seller will be required to take one of the following courses of action:

- cure such breach or defect in all material respects;
- repurchase the affected mortgage loan at the Purchase Price;
- replace the affected mortgage loan with one or more Qualified Substitute Mortgage Loans; *provided* no substitution may occur after the second anniversary of the Closing Date; or
- for certain breaches, reimburse the issuing entity for certain costs.

If the mortgage loan seller replaces an affected mortgage loan with one or more Qualified Substitute Mortgage Loans, then it will be required to pay to the issuing entity the amount, if any, by which—

- the price at which it would have had to purchase the removed mortgage loan, as described in the second bullet point of the preceding paragraph, exceeds
- the Stated Principal Balance of such Qualified Substitute Mortgage Loans as of the due date during the month that it is added to the issuing entity.

The mortgage loan seller must generally complete the cure, repurchase or substitution described above within 90 days following its receipt of notice of the material breach or material document defect. However, unless the material breach or material document defect relates to any mortgage note (or lost note affidavit or indemnity with respect to such mortgage note), if the material breach or material document defect is capable of being cured, if the mortgage loan seller is diligently attempting to correct the material breach or material document defect and with respect to a material document defect, such loan is not then a Specially Serviced Mortgage Loan and the missing or defective document is not needed to adequately pursue the lender's rights prior to such time, then the mortgage loan seller will generally be entitled to as much as an additional 90 days to complete that cure, repurchase or substitution if any underlying mortgage loan is required to be cured, repurchased or substituted as contemplated above.

In addition, if—

- any underlying mortgage loan is required to be repurchased or substituted as contemplated above, and
- such underlying mortgage loan is cross-defaulted or cross-collateralized with any other underlying mortgage loan in the issuing entity,

then the applicable defect or breach (as the case may be) will be deemed to constitute a defect or breach (as the case may be) as to any related crossed underlying mortgage loan for purposes of the above provisions, and the mortgage loan seller will be required to repurchase or replace any related crossed underlying mortgage loan in accordance with the provisions above. However, the mortgage loan seller may not repurchase or substitute an affected crossed underlying mortgage loan in the manner described above while any other underlying mortgage loan that is cross-collateralized or cross-defaulted with such affected crossed underlying mortgage loan remains in the issuing entity, unless (i) the master servicer or the special servicer, as applicable, and each related borrower have agreed to modify, upon such repurchase or substitution, the related loan documents in a manner whereby (a) such affected crossed underlying mortgage loan would no longer be cross-collateralized or cross-defaulted with any underlying mortgage loan that remains in the issuing entity, (b) all underlying mortgage loans that are cross-defaulted with such affected crossed underlying mortgage loan that remain in the issuing entity, if any, will continue to be cross-defaulted with one another, (c) all underlying mortgage loans that are cross-collateralized with such affected crossed underlying mortgage loan that remain in the issuing entity, if any, will continue to be cross-collateralized with one another and (d) such modification would not be a "significant modification" of the crossed underlying mortgage loans that are cross defaulted with such affected crossed underlying mortgage loan that remains in the issuing entity.

Any of the following document defects in an underlying mortgage loan will be conclusively presumed to materially and adversely affect the interests of a class of certificateholders:

- the absence from the mortgage file of the original signed mortgage note, unless the mortgage file contains a signed lost note affidavit, indemnity and endorsement;
- the absence from the mortgage file of an original or copy of the signed mortgage;
- the absence from the mortgage file of the original or copy of the lender's title insurance policy (together with all endorsements or riders that were issued with or subsequent to the issuance of such policy), or, if the policy has not yet been issued, a binding written commitment (including a pro forma or specimen title insurance policy, which has been accepted or approved in writing by the related title insurance company) relating to the underlying mortgage loan;
- the absence from the mortgage file of the originals or copies of any intervening assignments or endorsements required to create an effective assignment to the trustee on behalf of the issuing entity; or
- the absence from the mortgage file of any required original letter of credit (unless such original has been delivered to the master servicer and a copy of such letter of credit is part of the mortgage file); *provided* that such defect may be cured by providing a substitute letter of credit or a cash reserve.

This obligation to cure, repurchase, substitute one or more Qualified Substitute Mortgage Loans or reimburse the issuing entity will constitute the sole remedies available to the certificateholders and the trustee for any defect in a mortgage file or any breach on the part of the mortgage loan seller of its representations or warranties regarding the underlying mortgage loans.

We cannot assure you that the mortgage loan seller has or will have sufficient assets with which to fulfill any cure, repurchase or substitution obligations on its part that may arise.

### **Changes in Mortgage Pool Characteristics**

The description in this information circular of the mortgage pool is based on the mortgage pool as it is expected to be constituted at the time the offered certificates are issued, with adjustments for the monthly debt service payments due on the underlying mortgage loans on or before the Cut-off Date. Prior to the issuance of the offered certificates, one or more mortgage loans may be removed from the mortgage pool if we consider the removal necessary or appropriate. A limited number of other mortgage loans may be included in the mortgage pool prior to the issuance of the offered certificates, unless including those underlying mortgage loans would materially alter the characteristics of the mortgage pool as described in this information circular. We believe that the information in this information circular will be generally representative of the characteristics of the mortgage pool as it will be constituted at the time the offered certificates are issued. However, the range of mortgage interest rates and maturities, as well as the other characteristics of the underlying mortgage loans in each Loan Group described in this information circular, may vary, and the actual initial Loan Group balances may be as much as 5% larger or smaller than the initial Loan Group balances specified in this information circular.

### **Certain Legal Aspects of the Underlying Mortgage Loans**

The following discussion contains summaries of certain legal aspects related to the underlying mortgage loans secured by mortgaged real properties located in California (where mortgaged real properties secure underlying mortgage loans collectively representing 56.6% of the initial Loan Group 1 balance and 64.1% of the Loan Group 2 balance are located), Virginia (where mortgaged real properties secure underlying mortgage loans representing 28.4% of the initial Loan Group 1 balance and 12.1% of the Loan Group 2 balance are located) and Massachusetts (where mortgaged real properties secure underlying mortgage loans representing 5.0 % of the initial Loan Group 1 balance and 14.2% of the Loan Group 2 balance are located) Washington (where mortgaged real properties secure underlying mortgage loans representing 10.0% of the initial Loan Group 1 balance and 9.7% of the Loan Group 2 balance are located). The summaries are general in nature, do not purport to be complete and are qualified in their entirety by reference to the applicable federal and state laws governing the underlying mortgage loans. Various states have imposed statutory prohibitions or limitations that limit the remedies of a mortgagee under a mortgage or a beneficiary under a deed of trust. The underlying mortgage loans are limited recourse loans and are, therefore,

generally not recourse to the borrowers but limited to the mortgaged real properties. Even if recourse is available pursuant to the terms of an underlying mortgage loan, certain states have adopted statutes which impose prohibitions against or limitations on such recourse. The limitations described below and similar or other restrictions in other jurisdictions where mortgaged real properties are located may restrict the ability of the master servicer or the special servicer, as applicable, to realize on the underlying mortgage loans and may adversely affect the amount and timing of receipts on the underlying mortgage loans.

*Certain Legal Aspects of Mortgaged Real Properties Located in California.* Mortgage loans in California are generally secured by deeds of trust on the related real estate. Foreclosure of a deed of trust in California may be accomplished by a non-judicial trustee's sale (so long as it is permitted under a specific provision in the deed of trust) or by judicial foreclosure, in each case subject to and in accordance with the applicable procedures and requirements of California law. Public notice of either the trustee's sale or the judgment of foreclosure is given for a statutory period of time after which the mortgaged real estate may be sold by the trustee, if foreclosed pursuant to the trustee's power of sale, or by court appointed sheriff under a judicial foreclosure. Following a judicial foreclosure sale, the borrower or its successor-in-interest may, for a period of up to one year, redeem the property; however, there is no redemption following a sale pursuant to a trustee's power of sale. California's "security first" and "one action" rules require the lender to complete foreclosure of all real estate provided as security under the deed of trust in a single action in an attempt to satisfy the full debt before bringing a personal action (if otherwise permitted) against the borrower for recovery of the debt, except in certain cases involving environmentally impaired real property where foreclosure of the real property is not required before making a claim under the indemnity. This restriction may apply to property which is not located in California if a single promissory note is secured by property located in California and other jurisdictions. California case law has held that acts such as (but not limited to) an offset of an unpledged account constitute violations of such statutes. Violations of such statutes may result in the loss of some or all of the security under the mortgage loan and a loss of the ability to sue for the debt. A sale by the trustee under the deed of trust does not constitute an "action" for purposes of the "one action rule". Other statutory provisions in California limit any deficiency judgment (if otherwise permitted) against the borrower following a judicial foreclosure to the amount by which the indebtedness exceeds the fair value at the time of the public sale and in no event greater than the difference between the foreclosure sale price and the amount of the indebtedness. Further, under California law, once a property has been sold pursuant to a power of sale clause contained in a deed of trust (and in the case of certain types of purchase money acquisition financings, under all circumstances), the lender is precluded from seeking a deficiency judgment from the borrower or, under certain circumstances, guarantors.

On the other hand, under certain circumstances, California law permits separate and even contemporaneous actions against both the borrower (as to the enforcement of the interests in the collateral securing the loan) and any guarantors. California statutory provisions regarding assignments of rents and leases require that a lender whose loan is secured by such an assignment must exercise a remedy with respect to rents as authorized by statute in order to establish its right to receive the rents after an event of default. Among the remedies authorized by statute is the lender's right to have a receiver appointed under certain circumstances.

*Certain Legal Aspects of Mortgaged Real Properties Located in Virginia.* Foreclosure of the lien of a deed of trust in Virginia typically and most efficiently is accomplished by a non-judicial trustee's sale under a power of sale provision in the deed of trust. Judicial foreclosure also can be, but seldom is, used. In a non-judicial foreclosure, written notice to the borrower and other lienholders of record and newspaper advertisement of the trustee's sale, containing certain information, must be given for the time period prescribed in the deed of trust, but subject to statutory minimums. After such notice, the trustee may sell the real estate at public auction. Although rarely used in Virginia, in a judicial foreclosure, after notice to all interested parties, a full hearing and judgment in favor of the lienholder, the court orders a foreclosure sale to be conducted by a court-appointed commissioner in chancery or other officer. In either type of foreclosure sale, upon consummation of the foreclosure, the borrower has no right to redeem the property. A deficiency judgment for a recourse loan may be obtained. Further, under Virginia law, under certain circumstances and for certain time periods, a lienholder may petition the court for the appointment of a receiver to collect, protect and disburse the real property's rents and revenues, and otherwise to maintain and preserve the real property, pursuant to the court's instructions. The decision to appoint a receiver is solely within the court's discretion, regardless of what the deed of trust provides.

*Certain Legal Aspects of Mortgaged Real Properties Located in Massachusetts.* Mortgage loans involving real property in Massachusetts are secured by mortgages and foreclosures are accomplished by one of the following methods: judicial foreclosure action, sale under statutory power of sale, peaceable entry and possession for 3 years, or bill in equity under statute. Foreclosure by sale under the statutory power of sale accompanied by an entry prior to the sale is the more commonly followed method of foreclosure in Massachusetts. If the mortgagor is not a corporation, limited liability company or limited partnership, the mortgagee will generally first obtain a judgment from the Land Court or Superior Court sitting in the county where the property is located barring the rights of any interested party under the Soldier's and Sailor's Civil Relief Act. Prior to conducting the sale, notice of sale must be published for 3 successive weeks with the first such publication to take place at least 21 days prior to the date of sale and notice must be delivered by registered mail to the required parties at least 30 days prior to the date of sale. A mortgagor has no right of redemption after a property conducted foreclosure sale under the power of sale. The Commonwealth of Massachusetts does not have a "one action rule" or "anti deficiency legislation"; however, a deficiency judgment for a recourse loan cannot be obtained after a foreclosure sale conducted by a power of sale unless certain required steps are taken, including the giving of notice at least 21 days before the sale, the signing of an affidavit within 30 days after the sale, and generally bringing the action within 2 years after the sale. Although very rarely granted, in certain circumstances, the lender may have a receiver appointed. In Massachusetts, contamination on a property may give rise to a "super lien" on the property for costs incurred by the Commonwealth of Massachusetts and such a lien has priority over all existing liens, including those of existing mortgages.

*Certain Legal Aspects of Mortgaged Real Properties Located in Washington.* In Washington, it is most common to foreclose a deed of trust by non-judicial foreclosure. Non-judicial foreclosure is available if the deed of trust contains a power of sale, recites that the property is not used principally for agricultural purposes and if that statement is true either at the time the deed of trust is granted or at the time of foreclosure, names a trustee that maintains a street address in Washington where service of process may be made and where it maintains telephone service and a physical presence, and the deed of trust meets the other technical requirements of the Washington Deed of Trust Act. The non-judicial foreclosure process requires a statutory notice of default and, no earlier than 30 days thereafter, a subsequent statutory notice of sale at least 90 days prior to the scheduled foreclosure sale date. The notice of default must be mailed to the borrower and grantor and posted in a conspicuous place on the premises or, in lieu of posting, the same must be personally served on the borrower and grantor. The notice of sale must be recorded, mailed to the borrower, grantor and certain other affected parties, posted in a conspicuous place on the premises or served upon an occupant of the premises, and published twice during certain designated times in a local newspaper. The trustee's sale may not be held sooner than 190 days after the date of default. Foreclosure sales are by public auction with the property going to the highest bidder, who must pay in cash, except that the beneficiary may credit-bid up to the amount of the monetary obligations secured by the deed of trust. A foreclosure proceeding may be stopped and the deed of trust reinstated up until 11 days before the foreclosure sale if all defaults are cured, including payment of the entire amount due (other than any accelerated principal) and including all expenses incurred by the trustee as a result of the default.

Several additional restrictions and additional obligations apply to beneficiaries of deeds of trust in Washington recorded against owner-occupied or tenant-occupied residential real property, which do not apply to deeds of trust securing commercial loans, in order to foreclose the same.

Washington has a "one action" rule that prohibits non-judicial foreclosure during the pendency of any action that seeks satisfaction of an obligation secured by the deed of trust, with the exception of actions for the appointment of a receiver or, in the case of a deed of trust securing a commercial loan, actions to enforce any other lien or security interest granted to secure the obligation secured by the deed of trust.

Non-judicial foreclosure has the effect of satisfying all of the obligations secured by the deed of trust, including any cross collateralized obligations and any obligations of the borrower, grantor or guarantor contained in separate documents that are the "substantial equivalent" of obligations secured by the deed of trust. Limited exceptions to the "anti-deficiency" rule (with respect to a non-judicial trustee's sale under a deed of trust securing a commercial loan executed after June 11, 1998) allow post-foreclosure actions, including: (a) actions against the borrower or grantor generally within 1 year after the date of foreclosure to collect misapplied rents, insurance or condemnation proceeds, or to recover for a loss of property value caused by waste committed against the property, provided that statutory notices were timely given to such parties of the non-judicial foreclosure and (b) actions against a guarantor to collect a deficiency judgment, provided that statutory notices were timely given to the guarantor of the non-judicial

foreclosure. A guarantor may petition the court to limit the amount of the deficiency based on a post-foreclosure determination of the fair market value of the property.

In Washington, a lender may elect to foreclose a deed of trust judicially as a mortgage and preserve the right to a deficiency judgment against the grantor. There is a 1 year redemption period from the date of sale following a judicial foreclosure. The redemption period may be reduced to 8 months if the mortgage declares in its terms that the property is not used principally for agricultural or farming purposes and, in the foreclosure complaint, the creditor waives any right to a deficiency judgment.

## **DESCRIPTION OF THE CERTIFICATES**

### **General**

The certificates will be issued on the Closing Date pursuant to the Pooling and Servicing Agreement. They will represent the entire beneficial ownership interest of the issuing entity. The assets of the issuing entity will include:

- the underlying mortgage loans;
- any and all payments under and proceeds of the underlying mortgage loans received after the Cut-off Date, in each case exclusive of payments of principal, interest and other amounts due on or before that date and exclusive of any fees paid or payable to Freddie Mac in connection with any pre-approved servicing request with respect to an underlying mortgage loan set forth in the Pooling and Servicing Agreement;
- the loan documents for the underlying mortgage loans;
- our rights under the mortgage loan purchase agreement;
- any REO Properties acquired by the issuing entity with respect to Defaulted Loans; and
- those funds or assets as from time to time are deposited in the collection account described under “The Pooling and Servicing Agreement—Collection Account” in this information circular, the special servicer’s REO accounts described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—REO Properties” in this information circular, the distribution accounts described under “—Distribution Accounts” below or any servicing account (in the case of a servicing account, to the extent of the issuing entity’s interest in that account).

The certificates will include the class A-G1, A-G2, X-G1 and X-G2 certificates, which are the classes of certificates that are offered by this information circular and have the benefit of the Freddie Mac Guarantee.

The class A-G1 and X-G1 certificates are referred to in this information circular as the “Loan Group 1 Certificates” and will be entitled to distributions attributable to amounts collected on the underlying mortgage loans in Loan Group 1. The class A-G2 and X-G2 certificates are referred to in this information circular as the “Loan Group 2 Certificates” and will be entitled to distributions attributable to amounts collected on the underlying mortgage loans in Loan Group 2. No class of Loan Group 1 Certificates will be entitled to any distributions of funds attributable to amounts collected on the underlying mortgage loans in Loan Group 2 and no class of Loan Group 2 Certificates will be entitled to any distributions of funds attributable to amounts collected on the underlying mortgage loans in the Loan Group 1. The class A-G1 and A-G2 certificates are the certificates that will have principal balances (collectively, the “Principal Balance Certificates”).

The Loan Group 1 Certificates and the Loan Group 2 Certificates are sometimes referred to in this information circular as “Loan Group Certificates” and all of the certificates comprising either the Loan Group 1 Certificates or the Loan Group 2 Certificates are sometimes referred to in this information circular as a “Certificate Group.” The outstanding principal balance of any of these certificates will represent the total distributions of principal to which the holder of the certificate is entitled over time out of payments, or advances in lieu of payments, and other collections on the applicable assets of the issuing entity or the Freddie Mac Guarantee. Accordingly, on each distribution date, the outstanding principal balance of each of these certificates will be permanently reduced by any principal distributions actually made with respect to the certificates on that distribution date, including any Balloon Guarantor Payment. See “—Distributions” below. On any particular distribution date, the outstanding principal

balance of each of these certificates may also be permanently reduced, without any corresponding distribution, in connection with losses on the underlying mortgage loans in the related Loan Group and default-related and otherwise unanticipated issuing entity expenses. See “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” below.

The class X-G1 and X-G2 certificates will not have principal balances, and the holders of those certificates will not be entitled to receive distributions of principal. However, for purposes of calculating the accrual of interest as of any date of determination, the class X-G1 certificates will have a notional amount that is equal to the then outstanding principal balance of the class A-G1 certificates for such date and the class X-G2 certificates will have a notional amount that is equal to the then outstanding principal balance of the class A-G2 certificates for such date.

In general, outstanding principal balances and notional amounts will be reported on a class-by-class basis. In order to determine the outstanding principal balance or notional amount of any of the offered certificates from time to time, you may multiply the original principal balance or notional amount of that certificate as of the Closing Date, as specified on the face of that certificate, by the then-applicable certificate factor for the relevant class. The certificate factor for any class of certificates, as of any date of determination, will equal a fraction, expressed as a percentage, the numerator of which will be the then-outstanding principal balance or notional amount of that class, and the denominator of which will be the original principal balance or notional amount of that class. Certificate factors will be reported monthly in the certificate administrator’s report.

### **Registration and Denominations**

The Principal Balance Certificates will be issued to Freddie Mac in physical form in original denominations of \$10,000 initial principal balance and in any whole dollar denomination in excess of \$10,000. The class X-G1 and X-G2 certificates will be issued to Freddie Mac in physical form in original denominations of \$100,000 initial notional amount and in any whole dollar denomination in excess of \$100,000.

### **Distribution Accounts**

*General.* The certificate administrator must establish and maintain two accounts in which it will hold funds pending their distribution on the certificates in each Certificate Group and from which it will make those distributions. The distribution accounts must be maintained in a manner and with a depository institution that meets the requirements of the Pooling and Servicing Agreement. Funds held in the distribution accounts may be held in cash or, at the certificate administrator’s risk, invested in Permitted Investments. Subject to the limitations in the Pooling and Servicing Agreement, any interest or other income earned on funds in the distribution accounts will be paid to the certificate administrator as additional compensation.

*Deposits.* On the Business Day prior to each distribution date (the “Remittance Date”), the master servicer will be required to remit to the certificate administrator for deposit in the related distribution account the following funds with respect to the related Loan Group:

- All payments and other collections on the underlying mortgage loans and any REO Properties in the related Loan Group in the issuing entity on deposit in the collection account as of close of business on the second Business Day prior to the Remittance Date, exclusive of any portion of those payments and other collections that represents one or more of the following:
  1. monthly debt service payments due on a due date subsequent to the end of the related Collection Period;
  2. payments and other collections received after the end of the related Collection Period;
  3. amounts that are payable or reimbursable from the collection account to any person other than the certificateholders, in accordance with the terms of the Pooling and Servicing Agreement, including—
    - (i) amounts payable to the master servicer (or a sub-servicer) or the special servicer, as compensation, including master servicing fees, sub-servicing fees, special servicing fees, master servicer surveillance fees, special servicer surveillance fees, workout fees, liquidation

fees, assumption fees, assumption application fees, modification fees, extension fees, consent fees, waiver fees, earnout fees, Transfer Fees, Transfer Processing Fees and similar charges and, to the extent not otherwise applied to cover interest on advances and/or other Additional Issuing Entity Expenses with respect to the related underlying mortgage loan, Default Interest and late payment charges, or as indemnification;

- (ii) amounts payable to the master servicer (for itself or on behalf of certain indemnified sub-servicers) and the special servicer;
- (iii) amounts payable in reimbursement of outstanding advances, together with interest on those advances; and
- (iv) amounts payable with respect to other issuing entity expenses including, without limitation, fees, expenses and indemnities of the trustee and the certificate administrator/custodian (including interest on such amounts, if applicable, and subject to the Trustee Aggregate Annual Cap, the Certificate Administrator/Custodian Aggregate Annual Cap and the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap, as applicable);

4. net investment income on the funds in the collection account; and

5. amounts deposited in the collection account in error.

- Any advances of delinquent monthly debt service payments made by the master servicer with respect to that distribution date.
- Any payments made by the master servicer to cover Prepayment Interest Shortfalls incurred during the related Collection Period.

See “—Advances of Delinquent Monthly Debt Service Payments” below and “The Pooling and Servicing Agreement—Collection Account” and “—Servicing and Other Compensation and Payment of Expenses” in this information circular.

*Withdrawals.* The certificate administrator may from time to time make withdrawals from the distribution accounts for any of the following purposes without regard to the order below:

- without duplication, to pay itself monthly certificate administrator fees, and to the trustee, monthly trustee fees, each as described under “The Pooling and Servicing Agreement—Matters Regarding the Trustee, the Certificate Administrator and the Custodian” in this information circular;
- to reimburse and pay to the trustee and the master servicer, in that order, for outstanding and unreimbursed nonrecoverable advances and accrued and unpaid interest on such amounts, to the extent it or the master servicer is not reimbursed from the collection account;
- (i) to reimburse the Guarantor for any unreimbursed Balloon Guarantor Payment, together with any related Timing Guarantor Interest, from collections on any Balloon Loan as to which any such Balloon Guarantor Payment was made (net of any such amount used to reimburse the master servicer or the trustee for advances, together with interest on such amounts) and (ii) to reimburse the Guarantor for any unreimbursed Guarantor Reimbursement Amounts from any liquidation fees, workout fees, servicing fees, special servicing fees or other fees or amounts collected in connection with the liquidation or other disposition of an underlying mortgage loan solely to the extent that the party entitled to any such amount has already been paid such amount from other collections on such underlying mortgage loan and the original payment of such amount resulted in a Deficiency Amount (net of any such amount used to reimburse the master servicer or the trustee for advances, together with interest on such amounts);
- to pay the Guarantor the Guarantee Fee;
- without duplication, to pay indemnity amounts to itself, the custodian, the trustee, the depositor, the master servicer (including on behalf of certain indemnified sub-servicers), the special servicer, Freddie Mac (in its capacity as servicing consultant) and various related persons, subject to the relevant Aggregate Annual

Caps, as described under “The Pooling and Servicing Agreement—Certain Indemnities” in this information circular;

- to pay for any opinions of counsel required to be obtained in connection with any amendments to the Pooling and Servicing Agreement, to the extent that the issuing entity is responsible for the cost of such opinions of counsel under the Pooling and Servicing Agreement;
- to pay any federal, state and local taxes imposed on the issuing entity, its assets and/or transactions, together with all incidental costs and expenses, including such taxes, that are required to be borne by the issuing entity as described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—REO Properties” in this information circular; and
- to pay any amounts deposited in the distribution accounts in error to the person entitled to them.

On each distribution date, all amounts on deposit in the distribution accounts, exclusive of any portion of those amounts that are to be withdrawn for the purposes contemplated in the prior paragraph, will be applied by the certificate administrator on each distribution date to make distributions on the certificates in the related Certificate Group and to the Guarantor (with respect to the Guarantor Reimbursement Amounts). Generally, for any distribution date, such amounts will be distributed to holders of the certificates in two separate components:

- those funds, referred to in this information circular as the Available Distribution Amount for the related Certificate Group, which will be paid to the holders of all the certificates and the Guarantor, who is entitled to the Guarantee Fee, as described under “—Distributions—Priority of Distributions” below; and
- the portion of those funds that represent Static Prepayment Premiums and Yield Maintenance Charges (if any) collected on (i) the underlying mortgage loans in Loan Group 1 during the related Collection Period, which will be paid to the holders of the class X-G1 certificates, and (ii) the underlying mortgage loans in Loan Group 2 during the related Collection Period, which will be paid to the holders of the class X-G2 certificates, in each case as described under “—Distributions—Distributions of Static Prepayment Premiums and Yield Maintenance Charges” below.

## Fees and Expenses

The amounts available for distribution on the certificates on any distribution date will generally be net of the following amounts which accrue at the fee rates shown and are payable to the master servicer, the special servicer, the trustee, the certificate administrator, the custodian or the Guarantor, as applicable:

Type/Recipient	Amount/Fee Rate	Frequency	Source of Funds
<b>Fees</b>			
Master Servicing Fee and Sub-Servicing Fee / Master Servicer	the Stated Principal Balance of each underlying mortgage loan multiplied by 0.0200% <i>per annum</i> (calculated using the same interest accrual basis of such underlying mortgage loan) and the Stated Principal Balance of each underlying mortgage loan multiplied by the applicable sub-servicing fee rate of, in the case of Loan Group 1, 0.0600% <i>per annum</i> and in the case of Loan Group 2, 0.0400% <i>per annum</i> (in each case calculated using the same interest accrual basis of such underlying mortgage loan)	monthly	interest payments on the related underlying mortgage loan or, with respect to liquidated underlying mortgage loans, general collections from the related Loan Group if Liquidation Proceeds are not sufficient
Master Servicer Surveillance Fee / Master Servicer and Sub-Servicers	the Stated Principal Balance of each Surveillance Fee Mortgage Loan multiplied by 0.0150% <i>per annum</i> (calculated using the same interest accrual basis of such underlying mortgage loan) (subject to any applicable sub-servicer's entitlement to 66 <sup>2/3</sup> % of the master servicer surveillance fee pursuant to the applicable Sub-Servicing Agreement as described in "The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses" in this information circular)	monthly	interest payments on the related underlying mortgage loan or, with respect to liquidated underlying mortgage loans, general collections from the related Loan Group if Liquidation Proceeds are not sufficient
Additional Servicing Compensation / Master Servicer	<ul style="list-style-type: none"> <li>• all late payment fees and Default Interest (other than on Specially Serviced Mortgage Loans) not used to pay interest on advances and certain Additional Issuing Entity Expenses with respect to the related underlying mortgage loans</li> <li>• 100% of any Transfer Fees or collateral substitution fees collected on or with respect to any non-Specially Serviced Mortgage Loans (a portion of which may be payable to a sub-servicer under a related Sub-Servicing Agreement)</li> <li>• all Transfer Processing Fees collected on or with respect to any underlying mortgage loans that are not Specially Serviced Mortgage Loans (a portion of which may be payable to a sub-servicer under a related Sub-Servicing Agreement)</li> <li>• all investment income earned on amounts on deposit in the collection account and certain escrow and reserve accounts</li> </ul>	from time to time from time to time from time to time monthly	the related fee the related fee the related fee investment income

Type/Recipient	Amount/Fee Rate	Frequency	Source of Funds
Special Servicing Fee / Special Servicer	the Stated Principal Balance of each Specially Serviced Mortgage Loan or REO Loan multiplied by 0.1500% <i>per annum</i> (calculated using the same interest accrual basis of such underlying mortgage loan)	monthly	general collections from the related Loan Group
Special Servicer Surveillance Fee / Special Servicer	the Stated Principal Balance of each Surveillance Fee Mortgage Loan multiplied by 0.00750% <i>per annum</i> (calculated using the same interest accrual basis of such underlying mortgage loan)	monthly	interest payments on the related underlying mortgage loan or, with respect to liquidated underlying mortgage loans, general collections from the related Loan Group if Liquidation Proceeds are not sufficient
Workout Fee / Special Servicer	1.0% of each collection of principal and interest on each Corrected Mortgage Loan	monthly	the related collections of principal and interest
Liquidation Fee / Special Servicer	1.0% of each recovery of net Liquidation Proceeds or proceeds from a full, partial or discounted payoff, except as specified under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” in this information circular	upon receipt of Liquidation Proceeds	the related Liquidation Proceeds
Additional Special Servicing Compensation / Special Servicer	<ul style="list-style-type: none"> <li>• all late payment fees and net Default Interest on Specially Serviced Mortgage Loans not used to pay interest on advances and certain Additional Issuing Entity Expenses with respect to the related underlying mortgage loans</li> <li>• 100% of commercially reasonable fees actually paid by the related borrower on modifications, extensions, earnouts, consents and other actions for Specially Serviced Mortgage Loans</li> <li>• all Transfer Processing Fees collected on or with respect to any underlying mortgage loans that are Specially Serviced Mortgage Loans</li> <li>• 100% of any Transfer Fees or collateral substitution fees collected on or with respect to Specially Serviced Mortgage Loans, when received from the borrower for such purpose</li> <li>• all investment income received on funds in any REO account</li> </ul>	from time to time from time to time from time to time from time to time from time to time	the related fee the related fee the related fee the related fee investment income
Trustee Fee / Trustee	0.0007% <i>per annum</i> multiplied by the Stated Principal Balance of the underlying mortgage loans (calculated using the same interest accrual basis as each underlying mortgage loan)	monthly	general collections
Certificate Administrator Fee / Certificate Administrator	0.0028% <i>per annum</i> multiplied by the Stated Principal Balance of the underlying mortgage loans (calculated using the same interest accrual basis as each underlying mortgage loan)	monthly	general collections

Type/Recipient	Amount/Fee Rate	Frequency	Source of Funds
Guarantee Fee / Guarantor	0.8500% <i>per annum</i> multiplied by the outstanding principal balance of the Principal Balance Certificates in the related Loan Group (calculated on an Actual/360 Basis) provided, that such guarantee fee rate is subject to reduction based on the pricing of the certificates.	monthly	general collections
<b>Expenses</b>			
Servicing Advances / Master Servicer and Trustee	to the extent of funds available, the amount of any Servicing Advances	from time to time	collections on the related underlying mortgage loan, or if not recoverable, from general collections from the related Loan Group
Interest on Servicing Advances / Master Servicer, Special Servicer and Trustee	at Prime Rate	when advance is reimbursed	first from Default Interest/late payment fees, then from general collections from the related Loan Group
P&I Advances / Master Servicer and Trustee	to the extent of funds available, the amount of any P&I Advances	from time to time	collections on the related underlying mortgage loan, or if not recoverable, from general collections from the related Loan Group
Interest on P&I Advances / Master Servicer and Trustee	at Prime Rate	when advance is reimbursed	first from Default Interest/late payment fees, then from general collections from the related Loan Group
Indemnification Expenses / Depositor, Trustee, Certificate Administrator/Custodian, Master Servicer, Special Servicer and Freddie Mac	amounts for which the depositor, the trustee, the certificate administrator/custodian, the master servicer (for itself or on behalf of certain indemnified sub-servicers), Freddie Mac (in its capacity as the servicing consultant) and the special servicer are entitled to indemnification, in each case, up to any related Aggregate Annual Cap in each calendar year until paid in full (other than with respect to the master servicer or the special servicer, if Freddie Mac is master servicer or the special servicer, for which there is no indemnification cap)	from time to time	general collections
Interest on Unreimbursed Indemnification Expenses / Depositor, Trustee, Custodian, Certificate Administrator, Third Party Master Servicer, Third Party Special Servicer and Freddie Mac	at Prime Rate	when Unreimbursed Indemnification Expenses are reimbursed	general collections

Any fees, costs, expenses not attributable to a specific Loan Group or Certificate Group, as determined by Freddie Mac in its reasonable discretion, will be apportioned proportionately between the Certificate Groups based on the respective total outstanding principal balance of the Principal Balance Certificates in each Certificate Group and will be reimbursed in the same proportion from collections on the underlying mortgage loans in each Loan Group.

## Distributions

*General.* On each distribution date, the certificate administrator will, subject to the applicable available funds and the exception described in the next sentence, make all distributions required to be made on the certificates on that distribution date to the holders of record as of the record date, which will be the close of business on the last Business Day of the calendar month preceding the month in which those distributions are to be made. The final distribution on any offered certificate, however, will be made only upon presentation and surrender of that certificate at the location to be specified in a notice of the pendency of that final distribution.

Distributions made to a class of certificateholders will be allocated among those certificateholders in proportion to their respective percentage interests in that class.

*Interest Distributions.* All of the classes of certificates will bear interest.

Interest will accrue on the class A-G1 and A-G2 certificates on an Actual/360 Basis and interest will accrue on the class X-G1 and X-G2 certificates on a 30/360 Basis during each Interest Accrual Period, in each case based on (i) the pass-through rate with respect to that class for that Interest Accrual Period; and (ii) the outstanding principal balance or notional amount, as the case may be, of that class outstanding immediately prior to the related distribution date.

On each distribution date, subject to the Available Distribution Amount for that Certificate Group and for that distribution date and the distribution priorities described under “—Priority of Distributions” below and, in the case of the offered certificates, subject to the Freddie Mac Guarantee, the holders of each class of certificates will be entitled to receive—

- the total amount of interest accrued during the related Interest Accrual Period with respect to that class of certificates, reduced (to not less than zero) by
- the total portion of any Net Aggregate Prepayment Interest Shortfall with respect to the related Loan Group for that distribution date that is allocable to that class of certificates.

If the holders of any class of certificates do not receive all of the interest to which they are entitled on any distribution date, as described in the prior two paragraphs (including by means of a Guarantor Payment), then they will continue to be entitled to receive the unpaid portion of that interest on future distribution dates, subject to the Available Distribution Amount for the related Certificate Group for those future distribution dates and the distribution priorities described below.

The portion of any Net Aggregate Prepayment Interest Shortfall for the related Loan Group for any distribution date that is allocable to reduce the current accrued interest then payable with respect to any particular class of the certificates will be allocated to the class A-G1, A-G2, X-G1 and X-G2 certificates based on the amount of interest to which such classes are entitled for such distribution date based on their respective pass-through rates.

However, such Net Aggregate Prepayment Interest Shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee.

*Calculation of Pass-Through Rates.* The pass-through rate for each class of offered certificates for the initial Interest Accrual Period is identified in the table on page 5.

The *per annum* pass-through rate for the class A-G1 and A-G2 certificates for each Interest Accrual Period will be equal to the lesser of (i) LIBOR plus the specified margin for that class set forth in the table on page 5; and (ii) the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group and the related distribution date minus the Guarantee Fee Rate; *provided* that in no event will such pass-through rate be less than zero.

The class A-G1 and A-G2 certificates accrue interest on an Actual/360 Basis.

The pass-through rate for the class X-G1 certificates for any Interest Accrual Period will be a rate *per annum* equal to the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 1 for the related distribution date minus the Guarantee Fee Rate, over (ii) the pass-through rate for the class A-G1 certificates (*provided*, that in no event may any class X-G1 pass-through rate be less than zero).

The pass-through rate for the class X-G2 certificates for any Interest Accrual Period will be a rate *per annum* equal to the excess, if any, of (i) the Weighted Average Net Mortgage Pass-Through Rate for Loan Group 2 for the related distribution date minus the Guarantee Fee Rate, over (ii) the pass-through rate for the class A-G2 certificates (*provided*, that in no event may any class X-G2 pass-through rate be less than zero).

The class X-G1 and X-G2 certificates accrue interest on a 30/360 Basis.

*Principal Distributions.* Subject to the Available Distribution Amount for the related Certificate Group and the distribution priorities described under “—Priority of Distributions” below, the total amount of principal payable with respect to the Principal Balance Certificates on each distribution date will equal the Principal Distribution Amount for the related Loan Group for that distribution date.

In general, subject to the Available Distribution Amount for the related Certificate Group and the distribution priorities described under “—Priority of Distributions” below, the total amount of principal to which the holders of the Principal Balance Certificates will be entitled on each distribution date will, in the case of each of those classes, generally equal:

- in the case of the class A-G1 certificates, an amount (not to exceed the outstanding principal balance of the class A-G1 certificates immediately prior to the subject distribution date) equal to the Principal Distribution Amount for Loan Group 1 for the subject distribution date, until the outstanding principal balance of such class of certificates is reduced to zero; and
- in the case of the class A-G2 certificates, an amount (not to exceed the outstanding principal balance of the class A-G2 certificates immediately prior to the subject distribution date) equal to the Principal Distribution Amount for Loan Group 2 for the subject distribution date, until the outstanding principal balance of such class of certificates is reduced to zero.

If the master servicer or the trustee is reimbursed for any Nonrecoverable Advance or Workout-Delayed Reimbursement Amount (together with accrued interest on such amounts) with respect to the related Loan Group, such amount will be deemed to be reimbursed first out of payments and other collections of principal on all the underlying mortgage loans in the related Loan Group (thereby reducing the Principal Distribution Amount for the related Certificate Group on the related distribution date), prior to being deemed reimbursed out of payments and other collections of interest on all the underlying mortgage loans. See “—Advances of Delinquent Monthly Debt Service Payments” below and “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this information circular.

*Loss Reimbursement Amounts.* As discussed under “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” below, the outstanding principal balance of any class of Principal Balance Certificates may be reduced without a corresponding distribution of principal. If that occurs, then, subject to the Freddie Mac Guarantee and the Available Distribution Amount for the related Certificate Group for each subsequent distribution date and the priority of distributions described below, the holders of that class will be entitled to be reimbursed for the amount of that reduction, without interest. References to “loss reimbursement amount” in this information circular mean, in the case of any class of Principal Balance Certificates, for any distribution date, the total amount to which the holders of that class are entitled as reimbursement for all previously unreimbursed reductions, if any, made in the outstanding principal balance of that class on all prior distribution dates as discussed under “—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” below.

*Freddie Mac Guarantee.* On each distribution date following the receipt from the certificate administrator of a statement to certificateholders that indicates a Deficiency Amount for any class of guaranteed certificates for such distribution date, the Guarantor will distribute the related Guarantor Payment in an aggregate amount equal to the

Deficiency Amount for such class of guaranteed certificates for such distribution date directly to the holders of such class of certificates, without first depositing such amount in the collection account or distribution accounts. Any Guarantor Payment made to any class of Principal Balance Certificates in respect of a Deficiency Amount relating to principal (but not in respect of reimbursement of Realized Losses including those resulting from Additional Issuing Entity Expenses) will reduce the outstanding principal balance of such class by a corresponding amount and will also result in a corresponding reduction in the notional amount of the class X-G1 certificates (with respect to a Guarantor Payment to the class A-G1 certificates) or class X-G2 certificates (with respect to a Guarantor Payment to the class A-G2 certificates). On each distribution date on which a Guarantor Payment is due with respect to any class of offered certificates, the Guarantor is required to notify the certificate administrator, the trustee, any Third Party Master Servicer and any Third Party Special Servicer that such Guarantor Payment has been made in full (or if such Guarantor Payment was not paid in full, the amount that was unpaid), and specifying the amount of such Guarantor Payment made to each class of guaranteed certificates. The Freddie Mac Guarantee does not cover any Yield Maintenance Charges, Static Prepayment Premiums or any other prepayment fees or charges related to the underlying mortgage loans. In addition, the Freddie Mac Guarantee does not cover any loss of yield on the class X-G1 or X-G2 certificates following a reduction in the notional amount of the class X-G1 or X-G2 certificates resulting from a reduction of the outstanding principal balance of the related class of Principal Balance Certificates.

Freddie Mac will be entitled to a Guarantee Fee. The Freddie Mac Guarantee is not backed by the full faith and credit of the United States. If the Guarantor were unable to pay under the Freddie Mac Guarantee, the offered certificates could be subject to losses.

*Priority of Distributions.* On each distribution date, the certificate administrator will apply the Available Distribution Amount for the related Certificate Group for that date to make the following distributions in the following order of priority, in each case to the extent of the remaining portion of the Available Distribution Amount for the related Certificate Group:

#### **Certificate Group 1**

<b>Order of Distribution</b>	<b>Recipient</b>	<b>Type and Amount of Distribution</b>
1 <sup>st</sup>	A-G1 and X-G1	Interest up to the total interest distributable on those classes (including accrued and unpaid interest from prior Interest Accrual Periods), <i>pro rata</i> based on the respective entitlements of those classes to interest at their respective pass-through rates
2 <sup>nd</sup>	A-G1	Principal up to the total principal distributable on the class A-G1 certificates until the outstanding principal balance of such class has been reduced to zero
3 <sup>rd</sup>	A-G1	In the case of a default under the Freddie Mac Guarantee, reimbursement up to the loss reimbursement amounts, if any, for such class based on the loss reimbursement amount for such class
4 <sup>th</sup>	Guarantor	Any Guarantor Reimbursement Amounts relating to the class A-G1 and X-G1 certificates, together with any Guarantor Reimbursement Interest Amounts relating to such classes

However, payments on the class A-G1 and X-G1 certificates will be covered by the Freddie Mac Guarantee, to the extent described in this information circular.

## Certificate Group 2

<b>Order of Distribution</b>	<b>Recipient</b>	<b>Type and Amount of Distribution</b>
1 <sup>st</sup>	A-G2 and X-G2	Interest up to the total interest distributable on those classes (including accrued and unpaid interest from prior Interest Accrual Periods), <i>pro rata</i> based on the respective entitlements of those classes to interest at their respective pass-through rates
2 <sup>nd</sup>	A-G2	Principal up to the total principal distributable on the class A-G2 certificates until the outstanding principal balance of such class has been reduced to zero
3 <sup>rd</sup>	A-G2	In the case of a default under the Freddie Mac Guarantee, reimbursement up to the loss reimbursement amounts, if any, for such class based on the loss reimbursement amounts for such class
4 <sup>th</sup>	Guarantor	Any Guarantor Reimbursement Amounts relating to the class A-G2 and X-G2 certificates, together with any Guarantor Reimbursement Interest Amounts relating to such classes

However, payments on the class A-G2 and X-G2 certificates will be covered by the Freddie Mac Guarantee, to the extent described in this information circular.

*Distributions of Static Prepayment Premiums and Yield Maintenance Charges.* If any Static Prepayment Premium or Yield Maintenance Charge is collected during any particular Collection Period in connection with the prepayment of any of the underlying mortgage loans, the certificate administrator will be required to distribute that Static Prepayment Premium or Yield Maintenance Charge, on the distribution date corresponding to that Collection Period, to the holders of the class X-G1 certificates (in the class of underlying mortgage loans in Loan Group 1) or the holders of the class X-G2 certificates (in the class of underlying mortgage loans in Loan Group 2).

As described under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” in this information circular, if any Yield Maintenance Charge or Static Prepayment Premium is collected in connection with a liquidation of an underlying mortgage loan or REO Property in a particular Loan Group, a liquidation fee may be payable on the amount collected. In such cases, the allocation of any Yield Maintenance Charges and Static Prepayment Premiums to the class X-G1 or X-G2 certificates (as applicable) will be made net of any liquidation fee payable therefrom.

We do not make any representation as to—

- the enforceability of any provision of the underlying mortgage loans requiring the payment of any prepayment consideration;
- whether or not such provision would be waived by holders representing a majority interest in the class X-G1 or X-G2 certificates (see “The Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents” in this information circular); or
- the collectability of that prepayment consideration.

See “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Prepayment Provisions” in this information circular.

In no event will the holders of any offered certificates receive any Static Prepayment Premium, Yield Maintenance Charge or other prepayment consideration in connection with any repurchase of an underlying mortgage loan as described under “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular. In addition, the Freddie Mac Guarantee excludes the payment of any Static Prepayment Premium, Yield Maintenance Charge or other prepayment consideration.

## **Treatment of REO Properties**

Although any mortgaged real property may be acquired by the issuing entity through foreclosure, deed-in-lieu of foreclosure or otherwise, the related underlying mortgage loan will be treated as having remained outstanding, until the REO Property is liquidated, for purposes of determining—

- distributions on the certificates;
- allocations of Realized Losses (including those resulting from Additional Issuing Entity Expenses) to the certificates; and
- the amount of all fees payable to the master servicer, the special servicer, the certificate administrator and the trustee under the Pooling and Servicing Agreement.

In connection with these determinations, the related underlying mortgage loan will be taken into account when determining the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group and the Principal Distribution Amount for the related Certificate Group for each distribution date.

Operating revenues and other proceeds from an REO Property will be applied—

- *first*, to pay, or to reimburse the master servicer, the special servicer, the certificate administrator and/or the trustee for the payment of, any costs and expenses incurred in connection with the operation and disposition of the REO Property, and
- *thereafter*, as collections of principal, interest and other amounts due on the related underlying mortgage loan.

To the extent described under “—Advances of Delinquent Monthly Debt Service Payments” below, the master servicer and the trustee will be required to advance (subject to a nonrecoverability determination) delinquent monthly debt service payments with respect to each underlying mortgage loan as to which the corresponding mortgaged real property has become an REO Property, in all cases as if that underlying mortgage loan had remained outstanding.

## **Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses**

As a result of Realized Losses (including those resulting from the application of principal collections on the underlying mortgage loans in each Loan Group to pay Additional Issuing Entity Expenses), the total outstanding principal balance of the class A-G1 certificates or the class A-G2 certificates could exceed the total Stated Principal Balance of Loan Group 1 or Loan Group 2, respectively. If this occurs following the distributions made to the holders of certificates in applicable Certificate Group on any distribution date, then the outstanding principal balance of the class A-G1 or class A-G2 certificates, as applicable, is to be reduced until the outstanding principal balance of such class of certificates equals the total Stated Principal Balance of the related Loan Group that will be outstanding immediately following the subject distribution date; *provided* that the total Stated Principal Balance of the related Loan Group will be decreased, for this purpose only, by the amount of any unreimbursed Timing Guarantor Payments and increased, for this purpose only, by amounts of principal attributable to the related Loan Group previously used to reimburse nonrecoverable advances and certain advances related to rehabilitated mortgage loans in the related Loan Group, as described under “—Advances of Delinquent Monthly Debt Service Payments” below and “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” in this information circular, other than any such amounts previously used to reimburse advances with respect to mortgage loans in the related Loan Group that have since become liquidated loans, that will be outstanding immediately following that distribution date.

The above-described reductions in the outstanding principal balance of the respective classes of the Principal Balance Certificates will represent an allocation of the Realized Losses (including those resulting from Additional Issuing Entity Expenses) that caused the particular mismatch in balances between the underlying mortgage loan in the related Loan Group and the related class of Principal Balance Certificates. However, Freddie Mac will be

required under its guarantee to pay the holder of any Principal Balance Certificates an amount equal to any such loss allocated to its Principal Balance Certificates as described under “—Distributions—Freddie Mac Guarantee” above.

The loss, if any, in connection with the liquidation of a Defaulted Loan or related REO Property will generally be an amount equal to the excess, if any, of:

- the outstanding principal balance of the underlying mortgage loan as of the date of liquidation, together with all accrued and unpaid interest on the underlying mortgage loan through and including the end of the related mortgage Interest Accrual Period in which such liquidation occurred, exclusive, however, of any portion of that interest that represents Default Interest, and
- all related unreimbursed Servicing Advances (with interest) and unpaid liquidation expenses, over
- the total amount of Liquidation Proceeds, if any, recovered in connection with the liquidation that are available to pay interest (other than Default Interest) on and principal of the underlying mortgage loan.

If any portion of the debt due under any of the underlying mortgage loans is forgiven, whether in connection with a modification, waiver or amendment granted or agreed to by the master servicer or the special servicer or in connection with the bankruptcy, insolvency or similar proceeding involving the related borrower, the amount forgiven, other than Default Interest, also will be treated as a Realized Loss.

The following items, to the extent that they are paid out of collections on the mortgage pool (other than late payment charges and/or Default Interest collected on the underlying mortgage loans) in accordance with the terms of the Pooling and Servicing Agreement, are some examples of Additional Issuing Entity Expenses:

- any special servicing fees, workout fees and liquidation fees paid to the special servicer;
- any interest paid to the master servicer, the special servicer and/or the trustee with respect to advances;
- the cost of various opinions of counsel required or permitted to be obtained in connection with the servicing of the underlying mortgage loans and the administration of the other assets of the issuing entity;
- any unanticipated expenses of the issuing entity, including—
  1. any reimbursements and indemnifications to the trustee, the custodian, the certificate administrator and various related persons and entities, as described under “The Pooling and Servicing Agreement—Certain Indemnities” in this information circular,
  2. any reimbursements and indemnification to the master servicer, the special servicer, the depositor, Freddie Mac (in its capacity as servicing consultant) and various related persons and entities, as described under “The Pooling and Servicing Agreement—Certain Indemnities” in this information circular, and
  3. any U.S. federal, state and local taxes, and tax-related expenses, payable out of assets of the issuing entity, as described under “Certain Federal Income Tax Consequences” in this information circular; and
- any amounts expended on behalf of the issuing entity to remediate an adverse environmental condition at any mortgaged real property securing a Defaulted Loan, as described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans” in this information circular.

Late payment charges and Default Interest collected with respect to any underlying mortgage loan are to be applied to pay interest on any advances that have been or are being reimbursed with respect to that underlying mortgage loan. In addition, late payment charges and Default Interest collected with respect to any underlying mortgage loan are also to be applied to reimburse the issuing entity for any Additional Issuing Entity Expenses previously incurred by the issuing entity with respect to that underlying mortgage loan. Late payment charges and Default Interest collected with respect to any underlying mortgage loan that are not so applied to pay interest on advances or to reimburse the issuing entity for previously incurred Additional Issuing Entity Expenses will be paid to the master servicer and/or the special servicer as additional servicing compensation.

## **Advances of Delinquent Monthly Debt Service Payments**

The master servicer will be required to make, for each distribution date, a total amount of advances of principal and/or interest (“P&I Advances”) generally equal to (i) all scheduled monthly debt service payments (other than balloon payments, Default Interest, late payment charges, Yield Maintenance Charges or Static Prepayment Premiums) and (ii) assumed monthly debt service payments, in each case net of related master servicer surveillance fees (if any), special servicer surveillance fees (if any), master servicing fees and sub-servicing fees, that—

- were due or deemed due, as the case may be, during the related Collection Period with respect to the underlying mortgage loans, and
- were not paid by or on behalf of the respective borrowers thereunder or otherwise collected as of the close of business on the last day of the related Collection Period.

With respect to any distribution date, the master servicer will be required to make P&I Advances either out of its own funds or, subject to replacement as and to the extent provided in the Pooling and Servicing Agreement, out of funds held in the collection account that are not required to be paid on the certificates on the related distribution date. Further, if a Ratings Trigger Event occurs with respect to any Third Party Master Servicer, the Guarantor will have the right to require the Third Party Master Servicer to remit out of its own funds to the collection account, an amount equal to all P&I Advances previously made out of the collection account and not previously repaid from collections on the underlying mortgage loans, and thereafter, the Third Party Master Servicer will be required to make P&I Advances solely out of its own funds.

To the extent that the master servicer fails to make a required P&I Advance and the trustee has actual knowledge of that failure, the trustee will be obligated to make that advance in accordance with the Pooling and Servicing Agreement.

The master servicer and the trustee will each be entitled to recover any P&I Advance made by it out of its own funds (together with interest accrued on such amount) from collections on the underlying mortgage loan as to which the advance was made. Neither the master servicer nor the trustee will be obligated to make any P&I Advance that, in its judgment or in the special servicer’s judgment (in accordance with the Servicing Standard in the case of the judgment of the master servicer or the special servicer, or in accordance with good faith business judgment in the case of the trustee), would not ultimately be recoverable out of collections on the related underlying mortgage loan. If the master servicer or the trustee makes any P&I Advance with respect to any of the underlying mortgage loans (including any such advance that is a Workout-Delayed Reimbursement Amount), that the master servicer, the trustee or the special servicer subsequently determines (in accordance with the Servicing Standard in the case of the determination of the master servicer or the special servicer, as applicable, or in accordance with good faith business judgment in the case of the trustee) will not be recoverable out of collections on that underlying mortgage loan (or, if such advance is a Workout-Delayed Reimbursement Amount, out of collections of principal on all the underlying mortgage loans in the related Loan Group after the application of those principal payments and collections to reimburse any party for a Nonrecoverable Advance) (any such advance, a “Nonrecoverable P&I Advance”), the master servicer or the trustee, as applicable, may obtain reimbursement for that advance, together with interest accrued and unpaid on the advance as described below, out of general collections on the underlying mortgage loans in the related Loan Group. See “The Pooling and Servicing Agreement—Collection Account” in this information circular. In making such determination, the master servicer, the trustee or the special servicer, as applicable, may take into account a range of relevant factors, including, among other things, (i) the existence of any outstanding Nonrecoverable Advance or Workout-Delayed Reimbursement Amount on any underlying mortgage loan or REO Loan in the related Loan Group, (ii) the obligations of the borrower under the related underlying mortgage loan, (iii) the related mortgaged real property in its “as is” condition, (iv) future expenses and (v) the timing of recoveries. Any reimbursement of a Nonrecoverable P&I Advance (including interest accrued on such amount) will be deemed to be reimbursed first from payments and other collections of principal on the underlying mortgage loans in the related Loan Group (thereby reducing the amount of principal otherwise distributable on the Principal Balance Certificates of the related Certificate Group on the related distribution date) prior to the application of any other general collections on the underlying mortgage loans in the related Loan Group against such reimbursement. The special servicer’s determination that a P&I Advance is a Nonrecoverable P&I Advance will be conclusive and binding on the master servicer and the trustee. Prior to or absent such a determination by the special servicer, each of the master servicer and the trustee will be entitled to make its own determination that a P&I Advance is a Nonrecoverable P&I

Advance, and neither the special servicer nor any other party may require the master servicer or the trustee to make any P&I Advance that the master servicer or the trustee has determined to be a Nonrecoverable P&I Advance. In addition, the trustee will be entitled to conclusively rely on the master servicer's determination that a P&I Advance is a Nonrecoverable P&I Advance. The special servicer will have no obligation to make any P&I Advance.

However, instead of obtaining reimbursement out of general collections on the underlying mortgage loans in the related Loan Group immediately for a Nonrecoverable P&I Advance, the master servicer or the trustee, as applicable, may, in its sole discretion, elect to obtain reimbursement for such Nonrecoverable P&I Advance over a period of time (not to exceed six months without the consent of Freddie Mac or 12 months in any event), with interest continuing to accrue on such amount at the Prime Rate. At any time after such a determination to obtain reimbursement over time in accordance with the preceding sentence, the master servicer or the trustee, as applicable, may, in its sole discretion, decide to obtain reimbursement for such Nonrecoverable P&I Advance from general collections on the underlying mortgage loans in the related Loan Group (including, without limitation, interest collections) immediately. In general, such a reimbursement deferral will only be permitted under the Pooling and Servicing Agreement if and to the extent that the subject Nonrecoverable P&I Advance, after taking into account other outstanding Nonrecoverable Advances with respect to underlying mortgage loans in the related Loan Group, could not be reimbursed with interest out of payments and other collections of principal on the underlying mortgage loans in the related Loan Group during the current Collection Period. The fact that a decision to recover a Nonrecoverable P&I Advance over time, or not to do so, benefits some classes of certificateholders to the detriment of other classes of certificateholders will not constitute a violation of the Servicing Standard or a breach of the terms of the Pooling and Servicing Agreement by any party to the Pooling and Servicing Agreement or a violation of any duty owed by any such party to the certificateholders.

In addition, in the event that any P&I Advance with respect to a Defaulted Loan remains unreimbursed following the time that such underlying mortgage loan is modified and returned to performing status and the amount of such advance becomes an obligation of the related borrower under the terms of the modified loan documents (a "Workout-Delayed Reimbursement Amount"), the master servicer or the trustee will be entitled to reimbursement for that advance and interest accrued and unpaid on such advance (even though that advance is not deemed a Nonrecoverable P&I Advance), on a monthly basis, out of – but solely out of – payments and other collections of principal on all the underlying mortgage loans in the related Loan Group after the application of those principal payments and collections to reimburse any party for any Nonrecoverable Advance with respect to the related Loan Group or Loan Group Certificates, prior to any distributions of principal on the related Loan Group Certificates. If any such advance is not reimbursed in whole due to insufficient principal collections during the related Collection Period, then the portion of that advance which remains unreimbursed will be carried over (with interest on such amount continuing to accrue) for reimbursement in the following Collection Period (to the extent of principal collections available for that purpose). If any such advance, or any portion of any such advance, is determined, at any time during this reimbursement process, to be a Nonrecoverable Advance, then the master servicer or the trustee, as applicable, will be entitled to immediate reimbursement out of general collections for the related Loan Group as a Nonrecoverable Advance in an amount equal to the portion of that advance that remains outstanding, plus accrued interest. In no event will the master servicer or the trustee be entitled to reimbursement of any Nonrecoverable Advances from general collections on the underlying mortgage loans in the unrelated Loan Group.

The master servicer and the trustee will each be entitled to receive interest on P&I Advances made by that party out of its own funds. That interest will accrue on the amount of each P&I Advance for so long as that advance is outstanding from the date made (or, if made prior to the end of the applicable grace period, from the end of that grace period), at an annual rate equal to the Prime Rate. Subject to the discussion in the two preceding paragraphs, interest accrued with respect to any P&I Advance on an underlying mortgage loan will be payable out of general collections on the underlying mortgage loans in the related Loan Group.

A monthly debt service payment will be assumed to be due with respect to:

- each underlying mortgage loan that is delinquent with respect to its balloon payment beyond the end of the Collection Period in which its maturity date occurs and as to which no arrangements have been agreed to for the collection of the delinquent amounts, including an extension of maturity; and
- each underlying mortgage loan as to which the corresponding mortgaged real property has become an REO Property.

The assumed monthly debt service payment deemed due on any underlying mortgage loan described in the prior sentence will equal, for its maturity date (if applicable) and for each successive due date following the relevant event that it or any related REO Property remains part of the issuing entity, the sum of (i) the principal portion, if any, of the monthly debt service payment that would have been due on the underlying mortgage loan on the relevant date if the related balloon payment had not come due or the related mortgaged real property had not become an REO Property, as the case may be, and the underlying mortgage loan had, instead, continued to amortize and accrue interest according to its terms in effect prior to that event, plus (ii) one month's interest on the Stated Principal Balance of the underlying mortgage loan at the related mortgage interest rate (but not including Default Interest).

### **Reports to Certificateholders and Freddie Mac; Available Information**

*Certificate Administrator Reports.* Based on information provided on a one-time basis by the mortgage loan seller, and in monthly reports prepared by the master servicer and the special servicer in accordance with the Pooling and Servicing Agreement, and in any event delivered to the certificate administrator, the certificate administrator will be required to prepare and make available electronically or, upon written request, provide by first class mail, (i) by 12:00 p.m. New York City time on the third Business Day prior to each distribution date to Freddie Mac and (ii) on each distribution date to each registered holder of a certificate, a statement to certificateholders substantially in the form of and containing the information substantially as required by Exhibit B. The certificate administrator's statement to certificateholders will detail the distributions on the certificates on that distribution date and the performance, both in total and individually to the extent available, of the underlying mortgage loans and the related mortgaged real properties on a Loan Group-by-Loan Group basis. Recipients will be deemed to have agreed to keep the subject information confidential.

The master servicer will be required to provide the standard CREFC Investor Reporting Package® to the certificate administrator on a monthly basis for the underlying mortgage loans. The certificate administrator will not be obligated to deliver any such report until the reporting package is provided by the master servicer.

To the extent that any related permitted subordinate mortgage debt is being serviced by the master servicer or the master servicer receives the necessary information from the applicable servicer of such permitted subordinate mortgage debt, and if not prohibited by the terms of the related permitted subordinate mortgage debt loan documents or any servicing agreement with respect to the related permitted subordinate mortgage debt (i) the master servicer will include information on such permitted subordinate mortgage debt in each CREFC® operating statement analysis report and (ii) if applicable CREFC® guidelines are revised to require information on subordinate mortgage debt to be included in other report or files in the CREFC Investor Reporting Package® that the master servicer is required to prepare and if Freddie Mac so requests in writing, the master servicer will include information on such permitted subordinate mortgage debt in such additional report or files in the CREFC Investor Reporting Package® in accordance with such CREFC® guidelines as reasonably clarified by Freddie Mac. For the purposes of including information on permitted subordinate mortgage debt in reports or files as contemplated under the terms of the Pooling and Servicing Agreement, the master servicer may conclusively rely (without investigation, inquiry, independent verification or any duty or obligation to recompute, verify or recalculate any of the amounts and other information contained in), absent manifest error, on information provided to it by the sub-servicer or other servicer of such permitted subordinate mortgage debt or by Freddie Mac.

*Information Available Electronically.* To the extent the "deal documents," "periodic reports," "additional documents" and "special notices" listed in the following bullet points are in the certificate administrator's possession and prepared by it or delivered to it in an electronic format, the certificate administrator will be required to make available to any Privileged Person via the certificate administrator's website in accordance with the terms and provisions of the Pooling and Servicing Agreement:

- the following "deal documents":
  1. this information circular;
  2. Freddie Mac's Giant and Other Pass-Through Certificates (Multifamily) Offering Circular dated February 23, 2017;
  3. the Freddie Mac offering circular supplement related to the SPCs;
  4. the Pooling and Servicing Agreement;

- 5. the mortgage loan purchase agreement; and
- 6. the CREFC® loan setup file received by the certificate administrator from the master servicer;
- the following “periodic reports”:
  1. certain underlying mortgage loan information as presented in the standard CREFC Investor Reporting Package® (other than the CREFC® loan setup file); and
  2. statements to certificateholders;
- the following “additional documents”:
  1. inspection reports; and
  2. appraisals;
- the following “special notices”:
  1. notice of any failure by the mortgage loan seller to repurchase an underlying mortgage loan that has an uncured material breach of a representation or warranty or a material document defect;
  2. notice of final payment on the certificates;
  3. notice of the resignation, termination, merger or consolidation of the master servicer, the special servicer, the certificate administrator or the trustee and any notice of the acceptance of appointment by any successor thereto;
  4. notice of the occurrence of any event of default that has not been cured;
  5. notice of any request by Freddie Mac to terminate any Third Party Special Servicer;
  6. any request by certificateholders to communicate with other certificateholders;
  7. any amendment of the Pooling and Servicing Agreement;
  8. any officer’s certificates supporting the determination that any advance was (or, if made, would be) a nonrecoverable advance; and
  9. such other reports or information at the reasonable direction of the depositor or the Guarantor;

*provided, however,* that the certificate administrator may not provide to any person that is a borrower under an underlying mortgage loan or an affiliate of a borrower under an underlying mortgage loan, (a) any asset status report, inspection report, appraisal or internal evaluation, (b) the CREFC® special servicer loan file or (c) any supplemental reports in the CREFC Investor Reporting Package®. The certificate administrator’s website will initially be located at [www.usbank.com/abs](http://www.usbank.com/abs). Access will be provided by the certificate administrator to Privileged Persons upon receipt by the certificate administrator from such person of an investor certification in the form(s) described in the Pooling and Servicing Agreement, which form(s) may also be located on and submitted electronically via the certificate administrator’s website. The parties to the Pooling and Servicing Agreement will be given access to the website without providing that certification. For assistance with the certificate administrator’s website, certificateholders may call (800) 934-6802.

The certificate administrator will make no representations or warranties as to the accuracy or completeness of, and may disclaim responsibility for, any report, document or other information made available by it for which it is not the original source. The certificate administrator will not be deemed to have obtained actual knowledge of any information posted on the certificate administrator’s website to the extent such information was not produced by the certificate administrator.

The certificate administrator may require registration and the acceptance of a disclaimer, as well as an agreement to keep the subject information confidential, in connection with providing access to its website. The certificate administrator will not be liable for the dissemination of information made by it in accordance with the Pooling and Servicing Agreement.

*Other Information.* The Pooling and Servicing Agreement will obligate the certificate administrator (or in the case of the items listed in the sixth and eighth bullet points below, the custodian) to make available at its offices, during normal business hours, upon reasonable advance written notice, or electronically via its website, for review by, among others, any holder or beneficial owner of an offered certificate or any person identified to the certificate administrator as a prospective transferee of an offered certificate or any interest in that offered certificate, originals or copies, in paper or electronic form, of, among other things, the following items, to the extent such documents have been delivered to the certificate administrator or the custodian, as applicable:

- any private placement memorandum or other disclosure document relating to the applicable class of certificates, in the form most recently provided to the certificate administrator;
- the Pooling and Servicing Agreement, including exhibits, and any amendments to the Pooling and Servicing Agreement;
- all monthly reports of the certificate administrator delivered, or otherwise electronically made available, to certificateholders since the Closing Date;
- all officer's certificates delivered to the certificate administrator by the master servicer and/or the special servicer since the Closing Date, as described under "The Pooling and Servicing Agreement—Evidence as to Compliance" in this information circular;
- all accountant's reports delivered to the certificate administrator with respect to the master servicer and/or the special servicer since the Closing Date, as described under "The Pooling and Servicing Agreement—Evidence as to Compliance" in this information circular;
- any and all modifications, waivers and amendments of the terms of an underlying mortgage loan entered into by the master servicer or the special servicer and delivered to the custodian pursuant to the Pooling and Servicing Agreement (but only for so long as the affected underlying mortgage loan is part of the issuing entity);
- any and all officer's certificates delivered to the certificate administrator to support the master servicer's determination that any P&I Advance or Servicing Advance was or, if made, would be a Nonrecoverable P&I Advance or Nonrecoverable Servicing Advance, as the case may be;
- any and all of the loan documents contained in the mortgage file, and with respect to Freddie Mac only, any and all documents contained in the mortgage file;
- information provided to the certificate administrator regarding the occurrence of Servicing Transfer Events as to the underlying mortgage loans; and
- any and all Sub-Servicing Agreements provided to the certificate administrator and any amendments to such Sub-Servicing Agreements and modifications of such Sub-Servicing Agreements.

Copies of any and all of these items will be required to be made available by the certificate administrator or the custodian, as applicable, upon written request. However, the certificate administrator and the custodian, as applicable, will be permitted to require payment of a sum sufficient to cover the reasonable costs and expenses of providing the copies.

In connection with providing access to or copies of information pursuant to the Pooling and Servicing Agreement, including the items described above, the certificate administrator, the custodian, the master servicer or the special servicer will require, in the case of a registered holder, beneficial owner or prospective purchaser of an offered certificate, a written confirmation executed by the requesting person or entity, in the form required by the Pooling and Servicing Agreement, generally to the effect that, among other things, the person or entity (i) is a registered holder, beneficial owner or prospective purchaser of offered certificates, or an investment advisor representing such person, (ii) is requesting the information for use in evaluating such person's investment in, or possible investment in, the offered certificates, (iii) is or is not a borrower or an affiliate of a borrower under the underlying mortgage loan, (iv) will keep the information confidential, and (v) will indemnify the certificate administrator, the trustee, the custodian, the master servicer, the special servicer, the issuing entity and the depositor from any damage, loss, cost or liability (including legal fees and expenses and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure of the information. The certificate administrator,

the custodian, the master servicer, the special servicer and any sub-servicer may not provide to any person that is a borrower under an underlying mortgage loan or an affiliate of a borrower under an underlying mortgage loan (i) any asset status report, inspection report or appraisal or internal valuation, (ii) the CREFC® special servicer loan file or (iii) certain supplemental reports in the CREFC Investor Reporting Package®. However, such restrictions on providing information will not apply to the master servicer, the special servicer and any sub-servicer if the applicable loan documents expressly require such disclosure to such person as a borrower under an underlying mortgage loan.

*Reports to Freddie Mac.* On or before the third Business Day prior to each distribution date, the certificate administrator will be required, in accordance with the terms of the Pooling and Servicing Agreement, to prepare and distribute to Freddie Mac certain supplemental reports related to the offered certificates.

*Deal Information/Analytics.* Certain information concerning the underlying mortgage loans and the certificates may be available through the following services:

- BlackRock Financial Management, Inc., Bloomberg, L.P., Moody's Analytics, Trepp, LLC, Intex Solutions, Inc., CMBS.com and Thomson Reuters Corporation;
- the certificate administrator's website initially located at [www.usbank.com/abs](http://www.usbank.com/abs); and
- the master servicer's website initially located at [www.freddiemac.com](http://www.freddiemac.com).

## **Voting Rights**

The voting rights for the certificates will be allocated as follows:

- 99% of the voting rights will be allocated to the class A-G1 and A-G2 certificates, in proportion to the respective outstanding principal balances of those classes; and
- 1% of the voting rights will be allocated to the class X-G1 and X-G2 certificates (based on the respective class notional amount of each such class).

Voting rights allocated to a class of certificateholders will be allocated among those certificateholders in proportion to their respective percentage interests in that class. However, solely for the purposes of giving any consent, approval or waiver pursuant to the Pooling and Servicing Agreement with respect to the rights, obligations or liabilities of the trustee, the certificate administrator, the master servicer, the special servicer or Freddie Mac, any certificate registered in the name of such trustee, certificate administrator, master servicer, special servicer, Freddie Mac or any affiliate of any of them, as applicable, will be deemed not to be outstanding, and the voting rights to which it is entitled will not be taken into account in determining whether the requisite percentage of voting rights necessary to effect any such consent, approval or waiver has been obtained. Such restriction will not apply except with respect to increases in compensation or material reductions in obligations, if the trustee, the certificate administrator, the master servicer, the special servicer or Freddie Mac, as the case may be, and/or their affiliates, own the entire class of each certificates affected by the action, vote, consent or waiver.

## **YIELD AND MATURITY CONSIDERATIONS**

### **Yield Considerations**

*General.* The yield on the offered certificates will depend on, among other things—

- the price you pay for your offered certificates; and
- the rate, timing and amount of distributions on your offered certificates.

The rate, timing and amount of distributions on the offered certificates in either Certificate Group will in turn depend on, among other things—

- the pass-through rate for, and the other payment terms of, the offered certificates;
- the rate and timing of payments and other collections on the underlying mortgage loans in the related Loan Group;

- the rate and timing of defaults, and the severity of losses, if any, on the underlying mortgage loans in the related Loan Group;
- the rate, timing, severity and allocation of other shortfalls and expenses that reduce amounts available for distribution on the related Loan Group Certificates (although such shortfalls with respect to the offered certificates may be covered under the Freddie Mac Guarantee, as further described in this information circular);
- the collection and payment, or waiver by the holders of a majority interest in the class X-G1 or X-G2 certificates, of Yield Maintenance Charges or Static Prepayment Premiums with respect to the underlying mortgage loans in the related Loan Group; and
- servicing decisions with respect to the underlying mortgage loans in the related Loan Group.

These factors cannot be predicted with any certainty. Accordingly, you may find it difficult to analyze the effect that these factors might have on the yield to maturity of the offered certificates.

*Freddie Mac Guarantee.* Although the Freddie Mac Guarantee will mitigate the yield and maturity considerations with respect to the offered certificates discussed in this information circular, the Freddie Mac Guarantee is not backed by the full faith and credit of the United States. If the Guarantor were unable to pay under the Freddie Mac Guarantee, such mitigation would not apply.

*Pass-Through Rates.* The yield to maturity on the Principal Balance Certificates will be highly sensitive to changes in the levels of LIBOR such that decreasing levels of LIBOR will have a negative effect on the yield to maturity of the holders of such certificates. In addition, prevailing market conditions may increase the interest rate margins above LIBOR at which comparable securities are being offered, which would cause the Principal Balance Certificates to decline in value. Investors in the Principal Balance Certificates should consider the risk that lower than anticipated levels of LIBOR could result in a lower yield to investors than the anticipated yield and the risk that higher market interest rate margins above LIBOR could result in a lower value of the Principal Balance Certificates.

The yield on the Principal Balance Certificates could also be adversely affected if underlying mortgage loans with higher interest rates or, after the loan reset dates for the underlying mortgage loans in the related Loan Group, interest rate margins over LIBOR, pay principal faster than underlying mortgage loans with lower interest rates or interest rate margins over LIBOR, as applicable. Since the Principal Balance Certificates bear interest at a rate limited by the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group minus the Guarantee Fee Rate, the pass-through rate on the Principal Balance Certificates may be limited by that pass-through rate cap, even if principal prepayments do not occur. See “Description of the Certificates—Distributions—Interest Distributions” in this information circular.

As further described below under “—Yield Sensitivity of the Class X-G1 and X-G2 Certificates,” the yield on the class X-G1 and X-G2 certificates will be sensitive to changes in the relative composition of the underlying mortgage loans in the related Loan Group as a result of scheduled amortization, voluntary and involuntary prepayments and liquidations of underlying mortgage loans in the related Loan Group following default.

As further described below under “—Yield Sensitivity of the Class X-G1 and X-G2 Certificates,” the pass-through rate on the X-G1 and X-G2 certificates will be variable and will be calculated based on the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group. The Weighted Average Net Mortgage Pass-Through Rate would decline if the rate of principal payments on underlying mortgage loans with higher interest rates or, after the loan reset dates for the underlying mortgage loans in the related Loan Group, interest rate margins over LIBOR, is faster than the rate of principal payments on the underlying mortgage loans with lower interest rates or interest rate margins over LIBOR, as applicable.

*Rate and Timing of Principal Payments.* The yield to maturity of the class X-G1 and X-G2 certificates will be extremely sensitive to, and the yield to maturity on the class A-G1 and A-G2 certificates respectively, purchased at a discount or a premium will be affected by, the rate and timing of principal distributions made in reduction of the outstanding principal balance of the class A-G1 or A-G2 certificates, respectively. In turn, the rate and timing of

principal distributions that are paid or otherwise result in reduction of the outstanding principal balance of the Principal Balance Certificates will be directly related to the rate and timing of principal payments on or with respect to the underlying mortgage loans in the related Loan Group and the rate and timing of principal that is collected or advanced in respect of certain Specially Serviced Mortgage Loans in the related Loan Group. Finally, the rate and timing of principal payments on or with respect to the underlying mortgage loans will be affected by their amortization schedules, the dates on which balloon payments are due and the rate and timing of principal prepayments and other unscheduled collections on them, including for this purpose, collections made in connection with liquidations of underlying mortgage loans due to defaults, casualties or condemnations (including principal paydowns in connection with partial condemnations) affecting the mortgaged real properties, pay downs of loans due to failure of the related property to meet certain performance criteria or purchases or other removals of underlying mortgage loans from the issuing entity.

If you are contemplating an investment in the class X-G1 or X-G2 certificates, you should further consider the risk that an extremely rapid rate of amortization, prepayments and/or liquidations on or with respect to the underlying mortgage loans in the related Loan Group could result in your failure to fully recoup your initial investment.

Prepayments and other early liquidations of the underlying mortgage loans (including as a result of holders of a majority interest in the class X-G1 or X-G2 certificates, as applicable, electing to waive payments of Static Prepayment Premiums) will result in distributions on the Principal Balance Certificates in the related Certificate Group of amounts that would otherwise be paid over the remaining terms of the underlying mortgage loans in such Loan Group. This will tend to shorten the weighted average lives of the Principal Balance Certificates in the related Certificate Group and accelerate the rate at which the notional amount of the class X-G1 or X-G2 certificates, as applicable is reduced. Defaults on the underlying mortgage loans, particularly at or near their maturity dates, may result in significant delays in distributions of principal on the underlying mortgage loans and, accordingly, on the Principal Balance Certificates in the related Certificate Group, while workouts are negotiated or foreclosures are completed, subject to the Freddie Mac Guarantee. These delays will tend to lengthen the weighted average lives of the Principal Balance Certificates in the related Certificate Group. See "The Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents" in this information circular.

The extent to which the yield to maturity on any Principal Balance Certificate may vary from the anticipated yield will depend on the degree to which the Principal Balance Certificate is purchased at a discount or premium and when, and to what degree payments of principal on the underlying mortgage loans in the related Loan Group are in turn paid in a reduction of the outstanding principal balance of the Principal Balance Certificate. If you purchase Principal Balance Certificates at a discount, you should consider the risk that a slower than anticipated rate of principal payments on the underlying mortgage loans in the related Loan Group could result in an actual yield to you that is lower than your anticipated yield. If you purchase the class X-G1 or X-G2 certificates or Principal Balance Certificates at a premium, you should consider the risk that a faster than anticipated rate of principal payments on the underlying mortgage loans in the related Loan Group could result in an actual yield to you that is lower than your anticipated yield.

The rate of prepayment on the underlying mortgage loans is likely to be affected by prevailing market interest rates or margins over LIBOR for mortgage loans of a comparable type, term and risk level. When the prevailing market interest rate or margin over LIBOR is below the annual rate or margin over LIBOR at which an underlying mortgage loan accrues interest, the related borrower may have an increased incentive to refinance that underlying mortgage loan. Conversely, to the extent prevailing market interest rates or margins over LIBOR exceed the annual rate or margin over LIBOR at which an underlying mortgage loan accrues interest, the borrower may be less likely to voluntarily prepay that underlying mortgage loan. Depending on prevailing market interest rates or margin over LIBOR, the outlook for market interest rates or margin over LIBOR and economic conditions generally, some borrowers may sell their mortgaged real properties in order to realize their equity in those properties, to meet cash flow needs or to make other investments. In addition, some borrowers may be motivated by U.S. federal and state tax laws, which are subject to change, to sell their mortgaged real properties.

Because the rate of principal payments on or with respect to the underlying mortgage loans will depend on future events and a variety of factors, no particular assurance can be given as to that rate or the rate of principal prepayments.

*Delinquencies and Defaults on the Underlying Mortgage Loans.* The rate and timing of delinquencies and defaults on the underlying mortgage loans in each Loan Group will affect—

- the amount of distributions on the related Loan Group Certificates;
- the yield to maturity of the related Loan Group Certificates;
- the notional amount of the interest-only certificates in the related Certificate Group;
- the rate of principal distributions on the Principal Balance Certificates in the related Certificate Group; and
- the weighted average lives of the related Loan Group Certificates.

Delinquencies on the underlying mortgage loans in either Loan Group may result in shortfalls in distributions of interest and/or principal on the offered certificates for the current month, although Freddie Mac will be required under its guarantee to pay the holder of any offered certificate in the related Certificate Group an amount equal to any such shortfall allocated to its certificates as set forth in “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular. Although any shortfalls in distributions of interest may be made up on future distribution dates, no interest would accrue on those shortfalls. Thus, any shortfalls in distributions of interest would adversely affect the yield to maturity of the related Loan Group Certificates.

If—

- you calculate the anticipated yield to maturity for the offered certificates based on an assumed rate of default and amount of losses on the underlying mortgage loans in the related Loan Group that is lower than the default rate and amount of losses actually experienced, and
- the additional losses result in a reduction of the total distributions on or the total outstanding principal balance of the offered certificates,

then your actual yield to maturity will be lower than you calculated and could, under some scenarios, be negative.

The timing of any loss on a liquidated underlying mortgage loan in either Loan Group that results in a reduction of the total distributions on or the total outstanding principal balance of the related Loan Group Certificates will also affect your actual yield to maturity, even if the rate of defaults and severity of losses are consistent with your expectations. In general, the earlier your loss occurs, the greater the effect on your yield to maturity.

Even if losses on the underlying mortgage loans in either Loan Group do not result in a reduction of the total distributions on or the outstanding principal balance of the related Loan Group Certificates, the losses may still affect the timing of distributions on, and the weighted average lives and yields to maturity of, the related Loan Group Certificates.

In addition, if the master servicer or the trustee is reimbursed for any Nonrecoverable Advance or Workout-Delayed Reimbursement Amount (together with accrued interest on such amounts), such amount will be deemed to be reimbursed first out of payments and other collections of principal on all the underlying mortgage loans in the related Loan Group (thereby reducing the Principal Distribution Amount for the related Loan Group Certificates on the related distribution date), prior to being deemed reimbursed out of payments and other collections of interest on all the underlying mortgage loans in the related Loan Group. See “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” and “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this information circular.

*Relevant Factors.* The following factors, among others, will affect the rate and timing of principal payments and defaults and the severity of losses on or with respect to the underlying mortgage loans:

- prevailing interest rates and prevailing margins over LIBOR after the first loan reset date for underlying mortgage loans;

- the terms of the underlying mortgage loans, including—
  1. provisions that impose prepayment lockout periods or require Yield Maintenance Charges or Static Prepayment Premiums (and whether the payment of Yield Maintenance Charges or Static Prepayment Premiums is waived by holders representing a majority interest in the class X-G1 or X-G2 certificates, as applicable);
  2. amortization terms that require balloon payments;
  3. due-on-sale/encumbrance provisions; and
  4. any provisions requiring draws on letters of credit or escrowed funds to be applied to principal;
- the demographics and relative economic vitality of the areas in which the mortgaged real properties are located;
- the general supply and demand for multifamily rental space of the type available at the mortgaged real properties in the areas in which those properties are located;
- the quality of management of the mortgaged real properties;
- the servicing of the underlying mortgage loans;
- changes in tax laws; and
- other opportunities for investment.

See “Risk Factors—Risks Related to the Underlying Mortgage Loans,” “—Risks Related to the Offered Certificates—The Underlying Mortgage Loans May Experience a Higher Than Expected Rate of Prepayment Due to the Right of a Majority of Holders of Class X-G1 or X-G2 Certificates to Cause the Waiver of Yield Maintenance Charges or Static Prepayment Premiums and Due to Limited Prepayment Protection,” “Description of the Underlying Mortgage Loans” and “The Pooling and Servicing Agreement” in this information circular.

The rate of prepayments on the underlying mortgage loans is likely to be affected by prevailing market interest rates or, after the initial loan reset dates, margins over LIBOR for mortgage loans of a comparable type, term and risk level. When the prevailing market interest rate or margin over LIBOR is below the annual rate or margin over LIBOR at which an underlying mortgage loan accrues interest, the related borrower may have an increased incentive to refinance that underlying mortgage loan. Conversely, to the extent prevailing market interest rates or, after the initial loan reset dates, margins over LIBOR exceed the annual rate or margin over LIBOR at which an underlying mortgage loan accrues interest, the borrower may be less likely to voluntarily prepay that underlying mortgage loan.

Depending on prevailing market interest rates or, after the initial loan reset dates, margin over LIBOR, the outlook for market interest rates or, after the initial loan reset dates, margin over LIBOR and economic conditions generally, some borrowers may sell their mortgaged real properties in order to realize their equity in those mortgaged real properties, to meet cash flow needs or to make other investments. In addition, some borrowers may be motivated by U.S. federal and state tax laws, which are subject to change, to sell their mortgaged real properties.

In addition, certain of the underlying mortgage loans may have performance escrows or letters of credit pursuant to which the funds held in escrow or the proceeds of such letters of credit may be applied to reduce the outstanding principal balance of such underlying mortgage loans if certain performance triggers are not satisfied. This circumstance would have the same effect on the offered certificate as a partial prepayment on such underlying mortgage loans without payment of a Static Prepayment Premium or a Yield Maintenance Charge. For more information regarding these escrows and letters of credit, see the footnotes to Exhibit A-1.

We make no representation or warranty regarding:

- the particular factors that will affect the rate and timing of prepayments and defaults on the underlying mortgage loans;
- the relative importance of those factors;

- the percentage of the total principal balance of the underlying mortgage loans that will be prepaid or as to which a default will have occurred as of any particular date;
- whether the underlying mortgage loans that are in a prepayment lockout period, including any part of that period when prepayment with a Yield Maintenance Charge or Static Prepayment Premium is allowed, will be prepaid as a result of involuntary liquidations upon default or otherwise during that period; or
- the overall rate of prepayment or default on the underlying mortgage loans.

*Delay in Distributions.* Because monthly distributions will not be made on the offered certificates until the distribution date following the due dates for the underlying mortgage loans during the related Collection Period, your effective yield will be lower than the yield that would otherwise be produced by your pass-through rate and purchase price, assuming that your purchase price did not account for a delay.

The pass-through rates of the Principal Balance Certificates will be capped by the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group minus the Guarantee Fee Rate as described in this information circular. To the extent the Weighted Average Net Mortgage Pass-Through Rate remains constant or declines, which may be due to the prepayment of underlying mortgage loans with higher interest rates or interest rate margins over LIBOR or the extension of the maturity dates of the underlying mortgage loans with lower interest rates or interest rate margins over LIBOR, the pass-through rate of these classes of certificates may be capped.

### **Weighted Average Lives of the Principal Balance Certificates**

For purposes of this information circular, the weighted average life of any Principal Balance Certificate refers to the average amount of time (in years) that will elapse from the assumed settlement date of November 28, 2017 until each dollar to be applied in reduction of the total outstanding principal balance of those certificates is paid to the investor. For purposes of this “Yield and Maturity Considerations” section, the weighted average life of such class of Principal Balance Certificates is determined by:

- multiplying the amount of each principal distribution on such class of Principal Balance Certificates by the number of years from the assumed settlement date to the related distribution date;
- summing the results; and
- dividing the sum by the total amount of the reductions in the outstanding principal balance of such class of Principal Balance Certificates.

Accordingly, the weighted average life of any class of the Principal Balance Certificates will be influenced by, among other things, the rate at which principal of the underlying mortgage loans in the related Loan Group is paid or otherwise collected or advanced and the extent to which those payments, collections and/or advances of principal are in turn applied in reduction of the outstanding principal balance of that certificate (including any reductions in outstanding principal balance as a result of Balloon Guarantor Payments).

The tables set forth on Exhibit D show with respect to each class of Principal Balance Certificates—

- the weighted average life of that class, and
- the percentage of the initial principal balance of that class that would be outstanding after each of the specified dates,

based on each of the indicated levels of CPR and the Modeling Assumptions.

The actual characteristics and performance of the underlying mortgage loans will differ from the Modeling Assumptions used in calculating the tables on Exhibit D. Those tables are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under the assumed prepayment scenarios. Any difference between the Modeling Assumptions used in calculating the tables on Exhibit D and the actual characteristics and performance of the underlying mortgage loans, or their actual prepayment or loss experience, will affect the percentages of initial principal balances outstanding over time and the weighted average lives of the respective classes of Principal Balance Certificates.

We cannot assure you that—

- the underlying mortgage loans will prepay in accordance with the Modeling Assumptions or any other assumptions set forth in this information circular;
- the underlying mortgage loans will prepay at any of the indicated levels of CPR or at any other particular prepayment rate;
- the underlying mortgage loans will not experience losses; or
- the underlying mortgage loans that are in a prepayment lockout period or prepayable during any period with a Yield Maintenance Charge or a Static Prepayment Premium will not prepay as a result of involuntary liquidations upon default or otherwise, whether voluntarily or involuntarily, during any such period.

You must make your own decisions as to the appropriate loss, prepayment and liquidation assumptions to be used in deciding to purchase any offered certificates.

#### **Yield Sensitivity of the Class X-G1 and X-G2 Certificates**

The yield to investors on the class X-G1 and X-G2 certificates will be highly sensitive to the rate and timing of principal payments, including prepayments, on the underlying mortgage loans in the related Loan Group. If you are contemplating an investment in the class X-G1 or X-G2 certificates, you should fully consider the associated risks, including the risk that an extremely rapid rate of amortization, prepayments and/or liquidations on or with respect to the underlying mortgage loans in the related Loan Group could result in your failure to recoup fully your initial investment.

The pass-through rate for the class X-G1 and X-G2 certificates is calculated based on the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Groups. As a result, the pass-through rate (and, accordingly, the yield to maturity) on the class X-G1 and X-G2 certificates could be adversely affected if underlying mortgage loans with relatively high interest rates or, after the loan reset dates for the underlying mortgage loans in the related Loan Group, interest rate margins over LIBOR experience a faster rate of principal payment than underlying mortgage loans with relatively low interest rates or interest rate margins over LIBOR, as applicable. This means that the yield to maturity on the class X-G1 and X-G2 certificates will be sensitive to changes in the relative composition of the mortgage pool as a result of scheduled amortization, voluntary and involuntary prepayments and liquidations of the underlying mortgage loans following default. The Weighted Average Net Mortgage Pass-Through Rate will not be affected by modifications, waivers or amendments with respect to the underlying mortgage loans, except for any modifications, waivers or amendments that increase the mortgage interest rate margin.

The tables set forth on Exhibit E show pre-tax corporate bond equivalent yields for the class X-G1 and X-G2 certificates based on the Modeling Assumptions, except that the optional retirement is exercised, and further assuming the specified purchase prices and the indicated levels of CPR. Those assumed purchase prices are exclusive of accrued interest.

The yields set forth in the tables on Exhibit E were calculated by:

- determining the monthly discount rate that, when applied to the assumed stream of cash flows to be paid on the class X-G1 and X-G2 certificates, as applicable, would cause the discounted present value of that assumed stream of cash flows to the class X-G1 and X-G2 certificates, as applicable to equal the assumed purchase price for such certificates; and
- converting those monthly discount rates to corporate bond equivalent rates.

Those calculations do not take into account variations that may occur in the interest rates at which investors in the class X-G1 and X-G2 certificates may be able to reinvest funds received by them as payments on those certificates. Consequently, they do not purport to reflect the return on any investment on the class X-G1 and X-G2 certificates when reinvestment rates are considered.

In addition, the actual characteristics and performance of the underlying mortgage loans will differ from the Modeling Assumptions used in calculating the tables on Exhibit E. That table is hypothetical in nature and are

provided only to give a general sense of how the cash flows might behave under the assumed prepayment scenarios. Any difference between the Modeling Assumptions used in calculating the tables on Exhibit E and the actual characteristics and performance of the underlying mortgage loans in the related Loan Group, or their actual prepayment or loss experience, will affect the yield on the class X-G1 and/or X-G2 certificates.

We cannot assure you that—

- the underlying mortgage loans will prepay in accordance with the Modeling Assumptions or any other assumptions set forth in this information circular;
- the underlying mortgage loans will prepay at any of the indicated levels of CPR or at any other particular prepayment rate;
- the underlying mortgage loans will not experience losses;
- the underlying mortgage loans that are in a prepayment lockout period, or prepayable during any period with a Yield Maintenance Charge or a Static Prepayment Premium, will not prepay, whether voluntarily or involuntarily, during any such period;
- the purchase price of the class X-G1 and X-G2 certificates will be as assumed; or
- holders of a majority interest in the class X-G1 and X-G2 certificates would not elect to waive payments of a Yield Maintenance Charge or a Static Prepayment Premium for any underlying mortgage loan in the related Loan Group.

It is unlikely that the underlying mortgage loans will prepay as assumed at any of the specified CPR levels until maturity or that all of the underlying mortgage loans will so prepay at the same rate. Actual yield to maturity for investors in the class X-G1 and X-G2 certificates may be materially different than those indicated in the tables on Exhibit E. Timing of changes in rate of prepayment and other liquidations may significantly affect the actual yield to maturity to investors, even if the average rate of principal prepayments and other liquidations is consistent with the expectations of investors. You must make your own decisions as to the appropriate prepayment, liquidation and loss assumptions to be used in deciding whether to purchase the class X-G1 or X-G2 certificates.

## **THE POOLING AND SERVICING AGREEMENT**

### **General**

The certificates will be issued, the issuing entity will be created and the underlying mortgage loans will be serviced and administered under the Pooling and Servicing Agreement, by and among the depositor, the master servicer, the special servicer, the Guarantor, the trustee, the certificate administrator and the custodian. Subject to meeting certain requirements, each Originator has the right and is expected to appoint itself or its affiliate as the sub-servicer of the underlying mortgage loans it originated. See Exhibit A-1 for the identity of each Originator for each underlying mortgage loan.

The certificate administrator will provide a copy of the Pooling and Servicing Agreement to a prospective or actual holder or beneficial owner of an offered certificate, upon written request from such party or a placement agent and the completion of an appropriate confidentiality agreement in the form attached to the Pooling and Servicing Agreement and, at the certificate administrator's discretion, payment of a reasonable fee for any expenses. The Pooling and Servicing Agreement will also be made available by the certificate administrator on its website, at the address set forth under "Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information" in this information circular.

### **The Master Servicer and the Special Servicer**

Freddie Mac, a corporate instrumentality of the United States created and existing under the Freddie Mac Act, will be appointed as the master servicer and the special servicer with respect to the underlying mortgage loans. Freddie Mac is also the mortgage loan seller, the servicing consultant and the Guarantor of the offered certificates. Freddie Mac's principal servicing office is located at 8100 Jones Branch Drive, McLean, Virginia 22102. Freddie

Mac's Multifamily Division currently has approximately 850 employees in the McLean, Virginia headquarters and in four regional offices and eight field offices.

Freddie Mac conducts business in the U.S. secondary mortgage market by working with a national network of experienced multifamily seller/servicers to finance apartment buildings and other multifamily dwellings around the country. Freddie Mac performs in-house underwriting and credit reviews of multifamily loans but does not directly originate loans or service non-securitized loans for third-party investors.

Freddie Mac's multifamily mortgage origination and servicing platform has been active for at least 20 years and has experienced significant growth since 1993. Freddie Mac's master servicing and special servicing operations consist of four separate teams that handle surveillance activities, borrower transactions, asset resolution and REO Properties. As part of its surveillance activities, Freddie Mac risk rates loans in its portfolio, performs comprehensive reviews of higher-risk loans (including review of quarterly financial statements, annual business plans and property inspections) and monitors loan performance on Freddie Mac multifamily securitizations. Freddie Mac has extensive experience with borrower transactions, including transfers of ownership, repair escrow extensions, property management changes, releases of collateral and rental achievement releases and modifications. Freddie Mac also has extensive experience processing distressed loans in asset resolution through extensions, forbearance, sale, modification, foreclosure and other loss mitigation activities.

Freddie Mac's senior long-term debt ratings are "AA+" by S&P, "Aaa" by Moody's, and "AAA" by Fitch. Its short-term debt ratings are "A-1+" by S&P, "P-1" by Moody's and "F1+" by Fitch. Freddie Mac is currently rated as a master servicer by S&P (Above Average) and by Fitch (CMS2+).

Freddie Mac has developed detailed operating policies, procedures and controls across the various servicing functions to maintain compliance with the Guide, and to manage delinquent and specially-serviced loans. Freddie Mac may out-source various functions to third-party vendors such as performing site inspections and appraisals. Freddie Mac monitors its third-party vendors in accordance with Freddie Mac's internal policies and procedures, the Guide and applicable laws. Freddie Mac's servicing policies and procedures, as reflected in the Guide, are updated periodically to keep pace with changes in Freddie Mac's underwriting and servicing parameters and with developments in the multifamily mortgage-backed securities industry. Such policies and procedures have been generally consistent for the last three years in all material respects, except that in 2012, Freddie Mac's policies and procedures were updated to reflect (1) modifications to Freddie Mac's insurance requirements to reduce Freddie Mac's exposure to risk, adjust to changes in the insurance market and respond to customer needs and (2) an addition to Freddie Mac's asset resolution policies regarding the timing for obtaining new appraisals in connection with various asset resolution events.

Freddie Mac, as the master servicer, will be generally responsible for the master servicing and primary servicing functions with respect to the underlying mortgage loans and, if applicable, REO Properties. Freddie Mac, as the master servicer, will be permitted to appoint one or more sub-servicers to perform all or any portion of its primary servicing functions under the Pooling and Servicing Agreement pursuant to one or more Sub-Servicing Agreements. Additionally, Freddie Mac may from time to time perform some of its servicing obligations under the Pooling and Servicing Agreement through one or more third-party vendors that provide servicing functions such as appraisals, environmental assessments, property condition assessments, property management, real estate brokerage services and other services necessary in the routine course of acquiring, managing and disposing of REO Property. Freddie Mac will, in accordance with its internal procedures and applicable law, monitor and review the performance of any third-party vendors retained by it to perform servicing functions, and Freddie Mac will remain liable for its servicing obligations under the Pooling and Servicing Agreement as if Freddie Mac had not retained any such vendors.

The manner in which collections on the underlying mortgage loans are to be maintained is described in this information circular under "The Pooling and Servicing Agreement—Collection Account." All amounts received by Freddie Mac on the underlying mortgage loans will be deposited into a segregated collection account. Similarly, Freddie Mac will transfer any amount that is to be disbursed to a disbursement account on the day of the disbursement. Any collections received by Freddie Mac with respect to the underlying mortgage loans will not be co-mingled with collections from other commercial mortgage loans.

Freddie Mac, as special servicer, will, among other things, oversee the resolution of an underlying mortgage loan during a special servicing period and the disposition of REO Properties. Certain of Freddie Mac's duties as the

special servicer under the Pooling and Servicing Agreement, including information regarding the processes for handling delinquencies, losses, bankruptcies and recoveries (such as through a liquidation of an underlying mortgage loan, the sale of an underlying mortgage loan or negotiations or workouts with the borrower under an underlying mortgage loan), are set forth under “—Realization Upon Mortgage Loans” below.

Freddie Mac will not have primary responsibility for custody services of original documents evidencing the underlying mortgage loans. Freddie Mac may from time to time have custody of certain of such documents as necessary for enforcement actions involving the underlying mortgage loans or otherwise. To the extent that Freddie Mac has custody of any such documents for any such servicing purposes, such documents will be maintained in a manner consistent with the Servicing Standard.

No securitization transaction involving multifamily mortgage loans in which Freddie Mac was acting as master servicer, primary servicer or special servicer has experienced a servicer event of default as a result of any action or inaction of Freddie Mac as master servicer, primary servicer or special servicer, including as a result of Freddie Mac’s failure to comply with the applicable servicing criteria in connection with any securitization transaction. Freddie Mac has made all advances required to be made by it under its servicing agreements for multifamily mortgage loans.

Freddie Mac continues to operate under the conservatorship of the FHFA that commenced on September 6, 2008. From time to time Freddie Mac is a party to various lawsuits and other legal proceedings arising in the ordinary course of business and is subject to regulatory actions that could materially adversely affect its operations and its ability to service loans pursuant to the Pooling and Servicing Agreement. See “Description of the Mortgage Loan Seller and Guarantor—Freddie Mac Conservatorship” and “—Litigation Involving the Mortgage Loan Seller and Guarantor.”

The information set forth above in this section “—The Master Servicer and the Special Servicer” has been provided by Freddie Mac. Neither the depositor nor any other person other than Freddie Mac makes any representation or warranty as to the accuracy or completeness of such information.

Certain duties and obligations of the master servicer and certain related provisions of the Pooling and Servicing Agreement are described under “—Servicing Under the Pooling and Servicing Agreement,” “—Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses” and “—Inspections; Collection of Operating Information” below. The master servicer’s ability to waive or modify any terms, fees, penalties or payments on the underlying mortgage loans and the effect of that ability on the potential cash flows from the underlying mortgage loans are described under “—Modifications, Waivers, Amendments and Consents” below.

Freddie Mac’s obligations as the master servicer to make advances, and the interest or other fees charged for those advances and the terms of Freddie Mac’s recovery of those advances, are described under “—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” below and “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

Certain terms of the Pooling and Servicing Agreement regarding Freddie Mac’s removal, replacement, resignation or transfer as master servicer and as special servicer are described under “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” and “—Rights Upon Event of Default” below. Freddie Mac’s rights and obligations as master servicer and as special servicer with respect to indemnification, and certain limitations on Freddie Mac’s liability as master servicer and as special servicer under the Pooling and Servicing Agreement, are described under “—Liability of the Servicers” and “—Certain Indemnities” below.

The master servicer and the special servicer and various related persons and entities will be entitled to be indemnified by the issuing entity for certain losses and liabilities incurred by the special servicer as described under “—Certain Indemnities” below.

## Sub-Servicers

*Berkeley Point Capital LLC.* It is anticipated that Berkeley Point will sub-service all of the underlying mortgage loans it originated, which includes all of the underlying mortgage loans in Loan Group 1.

The principal executive offices of Berkeley Point are located at 7700 Wisconsin Avenue, Suite 1100, Bethesda, Maryland 20814 and principal servicing office of Berkeley Point is located at One Beacon Street, 14th Floor, Boston, Massachusetts 02108 and its telephone number is (877) 526-3562.

Berkeley Point serves as primary servicer in various transactions and is rated as a primary servicer and special servicer. Current ratings are listed below.

Servicer Rating Type	Fitch	S&P	KBRA
Primary Servicer .....	CPS2	Above Average	Approved
Special Servicer .....	CSS3+	Average	Approved multifamily

Together with its predecessor entities, Berkeley Point has originated and serviced commercial real estate loans for over 25 years. Berkeley Point is a commercial real estate finance company with a primary focus on multifamily and healthcare real estate loans. Berkeley Point, directly or through its affiliates, originates, brokers, sells, services and manages commercial real estate loans primarily for multifamily and healthcare properties across the United States through programs offered by, but not limited to, Fannie Mae, Freddie Mac and the Federal Housing Administration (“FHA”). Berkeley Point is a Fannie Mae DUST™, Freddie Mac Program Plus® and MAP- and LEAN-approved FHA lender and servicer. Together with its predecessor entities, Berkeley Point has serviced commercial real estate loans for approximately 30 years and has been the named special servicer on five Freddie Mac K-Series securitizations since 2009 and one Freddie Mac SB-Series securitization in 2017. As a part of its predecessor entities, Berkeley Point’s special asset management group was formed in 2004 and has since facilitated workouts for loans totaling over \$10.7 billion. Berkeley Point has offices located in Bethesda, Maryland, Blue Bell, Pennsylvania, Boston, Massachusetts, Dallas, Texas, Irvine, California, New York, New York, Raleigh, North Carolina, San Diego, California, Santa Monica, California, Seattle, Washington, and Tampa, Florida.

As of September 30, 2017, Berkeley Point’s servicing portfolio was comprised of 4,126 loans with an aggregate outstanding principal balance of approximately \$66.86 billion, of which Berkeley Point is the primary servicer through sub-servicing agreements with master servicers on Freddie Mac K-Series securitizations for 466 loans with an approximate aggregate outstanding principal balance of \$11.08 billion. Berkeley Point services and manages the remainder of its servicing portfolio pursuant to seller/servicer contracts and licenses with Fannie Mae, Freddie Mac, FHA, affiliated companies and a variety of third parties with servicing and asset management for 6 of such loans handled by Berkeley Point’s special servicing business unit as of September 30, 2017.

The following table sets forth information about the various pools of loans primarily serviced by Berkeley Point as of the dates indicated:

CMBS Pools	As of 12/31/2014	As of 12/31/2015	As of 12/31/2016	As of 9/30/2017
Primary Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance.....	\$4.842 billion	\$7.82 billion	\$11.21 billion	\$13.43 billion
By Number.....	67 pools (177 loans)	99 pools (313 loans)	133 pools (444 loans)	154 pools (551 loans)
Limited Subservicing Portfolio By Approximate Aggregate Unpaid Principal Balance .....		\$14.05 billion	\$15.83 billion	\$15.67 billion
By Number.....		49 pools (830 loans)	58 pools (928 loans)	61 pools (927 loans)

In addition to the servicing portfolio outlined above, Berkeley Point is the named special servicer on five Freddie Mac K-Series securitizations and one Freddie Mac SB-Series securitization.

The commercial real estate loans that Berkeley Point originates and for which Berkeley Point provides servicing include multifamily mortgage loans secured by the same types as the underlying mortgage loans in this transaction. Accordingly, the assets that Berkeley Point services as well as assets originated and/or owned by it or its affiliates may, depending upon the particular circumstances, including the nature and location of such assets, compete with the mortgaged real properties securing the underlying mortgage loans for tenants, purchasers, financing and so forth.

Berkeley Point has developed policies and procedures for the performance of its servicing obligations in compliance with applicable USAP and Reg AB servicing standards. Berkeley Point uses the Enterprise! servicing system and generally utilizes technology infrastructure to bolster and facilitate controls for compliance with pooling and servicing agreements, loan administration and procedures in workout/resolution and commercially appropriate standardization and automation to provide for improved accuracy, efficiency, transparency, monitoring and controls. Through its web portal, Portfolio Investor Insight®, Berkeley Point provides its investors access to data and reports for the loans that it services. Borrowers may also access monthly statements as well as current and historical loan information through a password protected website, Borrower Insight®.

Berkeley Point may from time to time engage consultants to perform property inspections and to provide asset management on certain properties. Berkeley Point does not have any material primary advancing obligations with respect to the CMBS pools as to which it is a primary servicer, and accordingly Berkeley Point does not believe that its financial condition will have any adverse effect on the performance of its duties under the Sub-Servicing Agreement and the Pooling and Servicing Agreement nor any material impact on the mortgage pool performance or the performance of the certificates.

Berkeley Point will not have primary responsibility for custody services of original documents evidencing the underlying mortgage loans. On occasion, Berkeley Point may have custody of certain of such documents as necessary for the performance of its duties with respect to underlying mortgage loans or otherwise. To the extent that Berkeley Point has custody of any such documents, such documents will be maintained in a manner consistent with the Servicing Standard.

Berkeley Point is not an affiliate of the mortgage loan seller, the depositor, the issuing entity, the master servicer, the trustee or any other Originator. There are no specific relationships involving or relating to this transaction or the securitized mortgage loans between Berkeley Point or any of its affiliates, on the one hand, and the depositor or the issuing entity, or their affiliates on the other hand, that currently exist or that existed during the past two years. In addition, there are no business relationships, agreements, arrangements, transactions or understandings that have been entered into outside the ordinary course of business or on terms other than would be obtained in an arm's length transaction with an unrelated third party – apart from the subject securitization transaction – between Berkeley Point or any of its affiliates, on the one hand, and the depositor or the issuing entity, on the other hand, that currently exist or that existed during the past two years and that are material to an investor's understanding of the certificates.

No securitization transaction involving commercial or multifamily mortgage loans in which Berkeley Point is acting as primary or special servicer has experienced an event of default as a result of any action or inaction performed by Berkeley Point in such capacity. In addition, there has been no previous disclosure of material non-compliance with servicing criteria by Berkeley Point with respect to any other securitization transaction involving commercial or multifamily mortgage loans in which Berkeley Point was acting as primary servicer or special servicer.

From time to time, Berkeley Point and its affiliates are parties to lawsuits and other legal proceedings by governmental authorities or other entities arising in the ordinary course of business. Berkeley Point does not believe that any such current lawsuits or legal proceedings would, individually or in the aggregate, have a material adverse effect on its business or its ability to serve as servicer or be material to a certificateholder.

Certain duties and obligations of Berkeley Point as the sub-servicer, and the provisions of the Sub-Servicing Agreement, are described under “—Summary of Sub-Servicing Agreements” below.

The sub-servicer is entitled to indemnification from the master servicer for losses and liabilities incurred in connection with its servicing functions under the sub-servicing agreement unless such losses and liabilities are caused by the sub-servicer's willful misconduct, bad faith, fraud or negligence as described under “—Summary of Sub-Servicing Agreement” below.

The information set forth above in this section “—Sub-Servicers” has been provided by Berkeley. Neither the depositor nor any other person other than Berkeley makes any representation or warranty as to the accuracy or completeness of such information.

Certain terms of the Pooling and Servicing Agreement regarding Berkeley's removal as sub-servicer are described under "—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer" below. Berkeley's rights and obligations with respect to indemnification, and certain limitations on Berkeley's liability under the Pooling and Servicing Agreement, are described in this information circular under "—Liability of the Servicers," "—Summary of Sub-Servicing Agreements" and "—Certain Indemnities" below.

*Wells Fargo Bank, National Association.* Wells Fargo Bank, National Association, a national banking association organized under the laws of the United States of America ("Wells Fargo Bank"), is expected to be the sub-servicer of all of the underlying mortgage loans in Loan Group 2. Wells Fargo Bank is a wholly-owned direct and indirect subsidiary of Wells Fargo & Company. Wells Fargo Bank also originated the underlying mortgage loans for which it is expected to be the sub-servicer. On December 31, 2008, Wells Fargo & Company acquired Wachovia Corporation, the owner of Wachovia Bank, National Association ("Wachovia"), and Wachovia Corporation merged with and into Wells Fargo & Company. On March 20, 2010, Wachovia merged with and into Wells Fargo Bank. Like Wells Fargo Bank, Wachovia acted as servicer of securitized commercial and multifamily mortgage loans and, following the merger of the holding companies, Wells Fargo Bank and Wachovia integrated their two servicing platforms under a senior management team that is a combination of both legacy Wells Fargo Bank managers and legacy Wachovia managers.

The principal west coast commercial mortgage servicing offices of Wells Fargo Bank are located at MAC A0227-020, 1901 Harrison Street, Oakland, California 94612. The principal east coast commercial mortgage servicing offices of Wells Fargo Bank are located at Three Wells Fargo, MAC D1050-084, 401 South Tryon Street, Charlotte, North Carolina 28202.

Wells Fargo Bank has been master servicing and primary servicing securitized commercial and multifamily mortgage loans in excess of ten years. Wells Fargo Bank's primary servicing system runs on McCracken Financial Solutions Corp.'s Strategy CS software. Wells Fargo Bank reports to trustees and certificate administrators in the CREFC® format. The following table sets forth information about Wells Fargo Bank's portfolio of master or primary serviced commercial and multifamily mortgage loans (including loans in securitization transactions and loans owned by other investors) as of the dates indicated:

Commercial and Multifamily Mortgage Loans	As of 12/31/2014	As of 12/31/2015	As of 12/31/2016	As of 9/30/2017
By Approximate Number:.....	33,605	32,716	31,128	29,591
By Approximate Aggregate Unpaid Principal Balance (in billions): .....	\$475.4	\$503.3	\$506.8	\$508.2

Within this portfolio, as of September 30, 2017, are approximately 20,291 commercial and multifamily mortgage loans with an unpaid principal balance of approximately \$387.8 billion related to CMBS or commercial real estate collateralized debt obligation securities. In addition to servicing loans related to CMBS and commercial real estate collateralized debt obligation securities, Wells Fargo Bank also services whole loans for itself and a variety of investors. The properties securing loans in Wells Fargo Bank's servicing portfolio, as of September 30, 2017, were located in all 50 states, the District of Columbia, Guam, Mexico, the Bahamas, the Virgin Islands and Puerto Rico and include retail, office, multifamily, industrial, hospitality and other types of income-producing properties. Also included in the above portfolio are commercial mortgage loans that Wells Fargo Bank services in Europe through its London Branch. Wells Fargo Bank has been servicing commercial mortgage loans in Europe through its London Branch for more than ten years. Through affiliated entities formerly known as Wachovia Bank, N.A., London Branch and Wachovia Bank International, and as a result of its acquisition of commercial mortgage servicing rights from Hypothekenbank Frankfurt AG, formerly Eurohypo AG, in 2013, it has serviced loans secured by properties in Germany, Ireland, the Netherlands, and the United Kingdom. As of September 30, 2017, its European third party servicing portfolio, which is included in the above table, is approximately \$899.3 million.

In its master servicing and primary servicing activities, Wells Fargo Bank utilizes a mortgage-servicing technology platform with multiple capabilities and reporting functions. This platform allows Wells Fargo Bank to process mortgage servicing activities including, but not limited to: (i) performing account maintenance; (ii) tracking borrower communications; (iii) tracking real estate tax escrows and payments, insurance escrows and payments,

replacement reserve escrows and operating statement data and rent rolls; (iv) entering and updating transaction data; and (v) generating various reports.

The following table sets forth information regarding principal and interest advances and servicing advances made by Wells Fargo Bank, as master servicer, on commercial and multifamily mortgage loans included in commercial mortgage-backed securitizations. The information set forth is the average amount of such advances outstanding over the periods indicated (expressed as a dollar amount and as a percentage of Wells Fargo Bank's portfolio, as of the end of each such period, of master serviced commercial and multifamily mortgage loans included in commercial mortgage-backed securitizations).

<b>Period*</b>	<b>Approximate Securitized Master-Serviced Portfolio (UPB)*</b>	<b>Approximate Outstanding Advances (P&amp;I and PPA)*</b>	<b>Approximate Outstanding Advances as % of UPB</b>
Calendar Year 2014.....	\$ 377,947,659,331	\$ 1,750,352,607	0.46%
Calendar Year 2015.....	\$ 401,673,056,650	\$ 1,600,995,208	0.40%
Calendar Year 2016.....	\$ 385,516,905,565	\$ 838,259,754	0.22%
YTD September 30, 2017.....	\$ 377,858,855,749	\$ 665,406,508	0.18%

\* "UPB" means unpaid principal balance, "P&I" means principal and interest advances, "PPA" means property protection advances and "YTD" means year-to-date.

Wells Fargo Bank is rated or ranked by Fitch, S&P and Morningstar as a primary servicer and a master servicer of commercial mortgage loans in the United States, and by Fitch and S&P as a primary servicer of commercial loans in the United Kingdom. Wells Fargo Bank's servicer ratings by each of these agencies are outlined below:

<b>US Servicer Ratings</b>	<b>Fitch</b>	<b>S&amp;P</b>	<b>Morningstar</b>
Primary Servicer: .....	CPS1-	Strong	MOR CS1
Master Servicer: .....	CMS1-	Strong	MOR CS1
<b>UK Servicer Ratings</b>	<b>Fitch</b>	<b>S&amp;P</b>	
Primary Servicer: .....	CPS2	Average	

The long-term issuer ratings of Wells Fargo Bank are "AA-" by S&P, "Aa2" by Moody's and "AA-" by Fitch. The short-term issuer ratings of Wells Fargo Bank are "A-1+" by S&P, "P-1" by Moody's and "F1+" by Fitch.

Wells Fargo Bank has developed policies, procedures and controls relating to its servicing functions to maintain compliance with applicable servicing agreements and servicing standards, including procedures for handling delinquent loans during the period prior to the occurrence of a special servicing transfer event. Wells Fargo Bank's servicing policies and procedures are updated periodically to keep pace with the changes in the CMBS industry and have been generally consistent for the last three years in all material respects. The only significant changes in Wells Fargo Bank's policies and procedures have come in response to changes in federal or state law or investor requirements, such as updates issued by the Federal National Mortgage Association or Freddie Mac.

Subject to certain restrictions in the related Sub-Servicing Agreement, Wells Fargo Bank may perform any of its obligations under the related Sub-Servicing Agreement through one or more third-party vendors, affiliates or subsidiaries. However, Wells Fargo Bank will remain responsible for its duties under the related Sub-Servicing Agreement. Wells Fargo Bank may engage third-party vendors to provide technology or process efficiencies. Wells Fargo Bank monitors its third-party vendors in compliance with its internal procedures and applicable law. Wells Fargo Bank has entered into contracts with third-party vendors for the following functions:

- provision of Strategy and Strategy CS software;
- tracking and reporting of flood zone changes;
- abstracting of leasing consent requirements contained in loan documents;
- legal representation;

- assembly of data regarding buyer and seller (borrower) with respect to proposed loan assumptions and preparation of loan assumption package for review by Wells Fargo Bank;
- performance of property inspections;
- performance of tax parcel searches based on property legal description, monitoring and reporting of delinquent taxes, and collection and payment of taxes;
- Uniform Commercial Code searches and filings;
- insurance tracking and compliance;
- onboarding – new loan setup;
- lien release filing and tracking;
- credit investigation and background checks; and
- defeasance calculations.

In connection with its role as a sub-servicer, generally, all amounts received by Wells Fargo Bank on the underlying mortgage loans it is sub-servicing will initially be deposited into a common clearing account with collections on other mortgage loans serviced by Wells Fargo Bank and will then be allocated and transferred to the appropriate account as required under the related Sub-Servicing Agreement. On the day any amount is to be disbursed by Wells Fargo Bank, that amount is transferred to a common disbursement account prior to disbursement.

Wells Fargo Bank, in its capacity as a sub-servicer, generally will not have primary responsibility for custody services of original documents evidencing the underlying mortgage loans that it is sub-servicing. On occasion, Wells Fargo Bank, as a sub-servicer, may have custody of certain of such documents as are necessary for enforcement actions involving the underlying mortgage loans or otherwise. To the extent Wells Fargo Bank performs custodial functions as a sub-servicer, documents will be maintained in a manner consistent with the Servicing Standard.

Wells Fargo & Company files reports with the SEC as required under the Exchange Act. Such reports include information regarding Wells Fargo Bank and may be obtained at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

There are no legal proceedings pending against Wells Fargo Bank, or to which any property of Wells Fargo Bank is subject, that are material to the certificateholders, nor does Wells Fargo Bank have actual knowledge of any proceedings of this type contemplated by governmental authorities.

The information set forth above in this section “—Sub-Servicers” has been provided by Wells Fargo Bank. Neither the depositor nor any other person other than Wells Fargo Bank makes any representation or warranty as to the accuracy or completeness of such information.

Certain duties and obligations of Wells Fargo Bank as a sub-servicer, and the provisions of the related Sub-Servicing Agreement, are described under “—Summary of Sub-Servicing Agreements” below.

Certain terms of the Pooling and Servicing Agreement regarding Wells Fargo Bank’s removal as sub-servicer are described under “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer” below. Wells Fargo Bank’s rights and obligations with respect to indemnification, and certain limitations on Wells Fargo Bank’s liability under the Pooling and Servicing Agreement, are described in this information circular under “—Liability of the Servicers,” “—Summary of Sub-Servicing Agreements” and “—Certain Indemnities” below.

### **Summary of Sub-Servicing Agreements**

Pursuant to the terms of a Sub-Servicing Agreement between Berkeley Point and the master servicer, and a Sub-Servicing Agreement between Wells Fargo Bank and the master servicer, each sub-servicer will perform certain primary servicing functions with respect to all of the underlying mortgage loans sub-serviced by such sub-servicer.

The related sub-servicer may delegate its duties to agents or subcontractors so long as the related arrangements with such agents or subcontractors are consistent with the related Sub-Servicing Agreement and the Pooling and Servicing Agreement.

Each sub-servicer will service in accordance with the Servicing Standard under the Pooling and Servicing Agreement. Generally, each sub-servicer will perform the following services in connection with the underlying mortgage loans in accordance with its Sub-Servicing Agreement and the Pooling and Servicing Agreement:

- (a) establishing and maintaining collection and escrow accounts, including deposits into and remittances from such accounts;
- (b) collecting payments from the borrowers under non-Specially Serviced Mortgage Loans, including follow up on any past due payments and any penalty charges;
- (c) monitoring the status and payment of taxes, other assessments and insurance premiums for compliance with the underlying loan documents;
- (d) conducting inspections of the mortgaged real properties and delivering to the master servicer a written report of the results of such inspection (other than with respect to Specially Serviced Mortgage Loans);
- (e) preparing (i) monthly reports using the CREFC® reporting format and (ii) quarterly and annual CREFC® Net Operating Income Adjustment Worksheet and the CREFC® Operating Statement Analysis Report based on the operating statements, budgets and rent rolls with respect to the mortgaged real properties and delivering the same to the master servicer; and
- (f) notifying the master servicer upon becoming aware that a Servicing Transfer Event may have occurred with respect to any underlying mortgage loan.

With respect to any proposed assumptions, due-on-sale clause waivers, modifications, transfers and certain other borrower requests, (1) the sub-servicers will not permit or consent to any such action without the prior written consent of the master servicer, and (2) the sub-servicers will perform and deliver to the master servicer any analysis, recommendation and other information required under the Pooling and Servicing Agreement (accompanied by an officer's certificate from applicable sub-servicer).

As compensation for its activities under the related Sub-Servicing Agreement, each sub-servicer will be paid a sub-servicing fee and will be entitled to certain additional servicing compensation, all to the extent that the master servicer is entitled to such amounts under the Pooling and Servicing Agreement. See "Description of the Certificates—Fees and Expenses" in this offering circular.

The master servicer and each sub-servicer each agree in the related Sub-Servicing Agreement to indemnify and hold harmless each other (including any of their general or limited partners, directors, officers, shareholders, members, managers, employees, agents or affiliates) from and against any and all liability, claim, loss, out-of-pocket cost (including reasonable attorneys' fees), penalty, expense, fee, forfeiture, judgment, or damage resulting from (i) any breach of any representation or warranty made by it in such Sub-Servicing Agreement or (ii) any willful misconduct, bad faith, fraud or negligence by the indemnitor in the performance of its obligations or duties under such Sub-Servicing Agreement or by reason of negligent disregard of such obligations and duties. Pursuant to the terms of the Pooling and Servicing Agreement, each sub-servicer will be indemnified by the trust, to the extent the master servicer will be entitled to such indemnification, subject to annual liability caps of any Third Party Master Servicer or sub-servicer as more particularly described in the Pooling and Servicing Agreement. See "—Certain Indemnities" below.

Each sub-servicer will at all times be a Freddie Mac approved servicer. Neither sub-servicer will be an affiliate of the trustee and, should a sub-servicer become an affiliate of the trustee, such sub-servicer will immediately provide written notice to the master servicer, Freddie Mac, the certificate administrator and the trustee of such affiliation. The master servicer will have the right to terminate each sub-servicer after certain termination events under the related Sub-Servicing Agreement have occurred and have not been remedied or at the direction of Freddie Mac upon a determination made by Freddie Mac, in accordance with the provisions of the Guide, that such sub-

servicer should not sub-service the underlying mortgage loan. See “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Removal of the Master Servicer, the Special Servicer and the Sub-Servicer” below.

The information set forth above in this section “Summary of Sub-Servicing Agreements” has been provided by Freddie Mac. Neither the depositor nor any other person other than Freddie Mac makes any representation or warranty as to the accuracy or completeness of such information.

### **Liability of the Servicers**

The master servicer (either in its own right or on behalf of an indemnified sub-servicer), the special servicer and various related persons and entities will be entitled to be indemnified by the issuing entity for certain losses and liabilities incurred by the master servicer or the special servicer, as applicable, as described under “—Certain Indemnities” below.

The underlying mortgage loans will not be an obligation of, or be insured or guaranteed by the master servicer or the special servicer. In addition, the master servicer and the special servicer will be under no liability to the issuing entity, the other parties to the Pooling and Servicing Agreement or the certificateholders for any action taken, or not taken, in good faith pursuant to the Pooling and Servicing Agreement or for errors in judgment. However, the master servicer and the special servicer will not be protected against any breach of warranties or representations made in the Pooling and Servicing Agreement or from any liability which would otherwise be imposed by reason of willful misconduct, bad faith, fraud or negligence in the performance of its duties or negligent disregard of obligations and duties under the Pooling and Servicing Agreement.

The master servicer and the special servicer each will be required to maintain at its own expense, fidelity insurance, in the form of a financial institution bond, fidelity bond or its equivalent (“Fidelity Insurance”) consistent with the Servicing Standard and errors and omissions insurance with an insurer that meets the qualifications set forth in the Pooling and Servicing Agreement with coverage amounts consistent with the Servicing Standard. However, for so long as Freddie Mac is acting as the master servicer or the special servicer, the master servicer or the special servicer, as applicable, may elect not to maintain errors and omissions insurance.

Solely in the event that Accepted Servicing Practices is the applicable Servicing Standard, each of the master servicer and the special servicer, will be required to maintain Fidelity Insurance and errors and omissions insurance with an insurer that meets the qualifications set forth in the Pooling and Servicing Agreement. Such policy must meet certain requirements as to coverage set forth in the Pooling and Servicing Agreement. Coverage of the master servicer or the special servicer under a policy or bond obtained by an affiliate of the master servicer or the special servicer, as applicable that meets the same requirements as a policy obtained directly by the master servicer or the special servicer will be permitted under the Pooling and Servicing Agreement. In lieu of obtaining such a policy or bond, the master servicer or the special servicer will be permitted to provide self-insurance with respect to Fidelity Insurance or errors and omissions insurance, subject to satisfaction of certain credit ratings requirements by the master servicer, the special servicer, or their respective immediate or remote parent companies.

### **Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties**

*Resignation of the Master Servicer or the Special Servicer.* The master servicer, the special servicer and any Affiliated Borrower Special Servicer will only be permitted to resign from their respective obligations and duties under the Pooling and Servicing Agreement (i) upon a determination that such party’s duties are no longer permissible under applicable law, (ii) upon the appointment of, and the acceptance of such appointment by, a successor to the resigning master servicer or resigning special servicer, as applicable, or (iii) as to the servicing of any Affiliated Borrower Special Servicer Loans, in the case of the special servicer and any Affiliated Borrower Special Servicer, in the manner described in “—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer” below, upon the appointment of, and the acceptance of such appointment by, the successor to the resigning special servicer. Any such successor must satisfy the following conditions applicable to it (the “Successor Servicer Requirements”): (i) Freddie Mac has approved such successor, which approval will not be unreasonably withheld or delayed, (ii) the successor to the master servicer, the special servicer or the Affiliated Borrower Special Servicer, as the case may be, agrees in writing to assume all of the responsibilities, duties and liabilities of the master servicer or the special servicer, as the case may be, under the Pooling and Servicing Agreement and certain Sub-Servicing

Agreements that arise thereafter, (iii) such successor (a) is then listed on S&P's Select Servicer List as a U.S. Commercial Mortgage Master Servicer (in the case of a successor master servicer) or a U.S. Commercial Mortgage Special Servicer (in the case of a successor special servicer) and (b) is rated at least "CMS3" (in the case of a successor master servicer) or "CSS3" (in the case of a successor special servicer) by Fitch and (iv) with respect to a successor special servicer or Affiliated Borrower Special Servicer, the trustee receives an opinion of counsel generally to the effect that, among other things, the agreement pursuant to which such special servicer is replaced is binding. Any determination permitting the resignation of the master servicer or the special servicer because such party's duties are no longer permissible under applicable law must be evidenced by an opinion of counsel to such effect delivered to the certificate administrator and the trustee, the cost of which, together with any other expenses of such resignation, are required to be borne by the resigning party. No resignation by the master servicer, the special servicer or any Affiliated Borrower Special Servicer will become effective until the trustee or the successor to the master servicer, the special servicer or such Affiliated Borrower Special Servicer, as applicable, has assumed the resigning master servicer's, special servicer's or such Affiliated Borrower Special Servicer's, as applicable, responsibilities and obligations under the Pooling and Servicing Agreement in accordance with this paragraph.

*Removal of the Master Servicer, the Special Servicer and any Sub-Servicer.* If an event of default described under "—Events of Default" below occurs with respect to the master servicer or the special servicer and remains unremedied, the trustee will be authorized, and at the direction of Freddie Mac, the trustee will be required, to terminate the defaulting party and appoint a successor, as described under "—Rights Upon Event of Default" below. The defaulting party is entitled to the payment of all compensation, indemnities and reimbursements accrued and unpaid to the date of termination and other similar amounts.

In addition, Freddie Mac will be entitled to remove, with or without cause, any Third Party Special Servicer and appoint a successor special servicer rather than have the trustee act as that successor, upon 30 Business Days' prior written notice to the parties to the Pooling and Servicing Agreement. Any successor special servicer must satisfy the Successor Servicer Requirements. In addition, the trustee must receive an opinion of counsel to the effect that the removal of the special servicer is in compliance with the terms of the Pooling and Servicing Agreement. If such removal is without cause, all costs of the issuing entity and such Third Party Special Servicer incurred in connection with transferring the subject special servicing responsibilities to a successor special servicer will be the responsibility of Freddie Mac. Moreover, the terminated special servicer will be entitled to—

- payment out of the collection account for all accrued and unpaid special servicing fees, special servicer surveillance fees and additional special servicing compensation;
- continued rights to indemnification; and
- continued rights to some or all liquidation and workout fees earned by it as described below under "—Servicing and Other Compensation and Payment of Expenses."

If at any time Freddie Mac is not acting as special servicer and an Affiliated Borrower Special Servicer Loan Event occurs, the Pooling and Servicing Agreement will require that the Third Party Special Servicer promptly resign as special servicer of the related Affiliated Borrower Special Servicer Loan and provides for the appointment of a replacement Affiliated Borrower Special Servicer to act as the special servicer with respect to such Affiliated Borrower Special Servicer Loan.

Freddie Mac will have the right to select a successor Affiliated Borrower Special Servicer for any Third Party Special Servicer in accordance with the requirements of the Pooling and Servicing Agreement, including (i) the satisfaction of the Successor Servicer Requirements and (ii) that the chosen successor is then actively acting as special servicer on a Freddie Mac multifamily mortgage loan securitization or is otherwise approved by Freddie Mac.

If Freddie Mac does not select a successor to the resigning Third Party Special Servicer within 15 days after receipt of written notice of an Affiliated Borrower Special Servicer Loan Event (with the option of Freddie Mac to extend the time period by an additional 15 days if Freddie Mac is using reasonable efforts to appoint a replacement), the resigning Third Party Special Servicer for the related Affiliated Borrower Special Servicer Loan will be required to use reasonable efforts to select the related Affiliated Borrower Special Servicer within 15 days following receipt of written notice from Freddie Mac that it cannot find a replacement (with the option of the Third Party Special Servicer to extend the time period by 15 additional days if the Third Party Special Servicer is using reasonable

efforts to appoint a replacement), each, in accordance with the requirements set forth in the Pooling and Servicing Agreement, including (i) the satisfaction of the Successor Servicer Requirements, and (ii) that the chosen successor is then actively acting as special servicer on a Freddie Mac multifamily mortgage loan securitization or is otherwise approved by Freddie Mac.

The Third Party Special Servicer is required to provide written notice to the parties to the Pooling and Servicing Agreement of both the occurrence and the termination of any Affiliated Borrower Special Servicer Loan Event within five Business Days after the Third Party Special Servicer obtains knowledge of the occurrence or termination of such Affiliated Borrower Special Servicer Loan Event. Except with respect to any Affiliated Borrower Special Servicer Loan Event that exists on the Closing Date and that is described in the definition of Affiliated Borrower Special Servicer Loan Event, (i) following the Closing Date and prior to its receipt of notice from the Third Party Special Servicer of the occurrence of an Affiliated Borrower Special Servicer Loan Event and (ii) following its receipt of notice, if any, from the Third Party Special Servicer of the termination of any Affiliated Borrower Special Servicer Loan Event and prior to its receipt of notice from the special servicer of the occurrence of another Affiliated Borrower Special Servicer Loan Event, unless, in each case, the trustee, certificate administrator, the master servicer and, if not acting as master servicer, Freddie Mac, has actual knowledge that an Affiliated Borrower Special Servicer Loan Event exists, the trustee, the certificate administrator, the master servicer and Freddie Mac will be entitled to conclusively assume that no Affiliated Borrower Special Servicer Loan Event exists. The master servicer, the trustee, the certificate administrator and Freddie Mac may rely on any such notice of the occurrence or termination of an Affiliated Borrower Special Servicer Loan Event without making any independent investigation.

The Third Party Special Servicer will not have any liability with respect to the actions or inactions of the applicable Affiliated Borrower Special Servicer or with respect to the identity of any Affiliated Borrower Special Servicer selected in accordance with the requirements set forth in the Pooling and Servicing Agreement.

Each Affiliated Borrower Special Servicer will perform all of the obligations of the special servicer for the related Affiliated Borrower Special Servicer Loan and will be entitled to all amounts of compensation payable to the special servicer under the Pooling and Servicing Agreement with respect to such Affiliated Borrower Special Servicer Loan that are earned during such time as the related underlying mortgage loan is an Affiliated Borrower Special Servicer Loan. The special servicer that resigns as a result of an Affiliated Borrower Special Servicer Loan Event will be entitled to any special servicer surveillance fees, special servicing fees and liquidation fees that accrued before the effective date of the resignation of the special servicer with respect to an underlying mortgage loan that became an Affiliated Borrower Special Servicer Loan and, for any such underlying mortgage loan that (i) becomes a Corrected Mortgage Loan before the effective date of the special servicer's resignation for such Affiliated Borrower Special Servicer Loan or (ii) would have become a Corrected Mortgage Loan before the effective date of the special servicer's resignation for such Affiliated Borrower Special Servicer Loan but for the requirement to receive three consecutive monthly debt service payments (provided that such payments occur within three months after such effective date of the special servicer's resignation), the related workout fees.

If the master servicer or the related Affiliated Borrower Special Servicer, as applicable, has actual knowledge of the termination of any Affiliated Borrower Special Servicer Loan Event, the master servicer or Affiliated Borrower Special Servicer, as applicable, will be required to provide prompt written notice of such circumstance to each of the other parties to the Pooling and Servicing Agreement.

If at any time an Affiliated Borrower Special Servicer Loan Event no longer exists with respect to an Affiliated Borrower Special Servicer Loan, (i) the related Affiliated Borrower Special Servicer will be required to promptly resign within five Business Days of receipt of notice that such Affiliated Borrower Special Servicer Loan Event no longer exists, (ii) the related underlying mortgage loan will no longer be an Affiliated Borrower Special Servicer Loan upon such resignation of the Affiliated Borrower Special Servicer, (iii) the special servicer for the underlying mortgage loans that are not Affiliated Borrower Special Servicer Loans will automatically succeed to the resigning Affiliated Borrower Special Servicer and will become the special servicer again for such underlying mortgage loan upon any such resignation of the Affiliated Borrower Special Servicer and (iv) such special servicer will be entitled to all compensation payable under the Pooling and Servicing Agreement to the special servicer with respect to such underlying mortgage loan earned after such underlying mortgage loan is no longer an Affiliated Borrower Special Servicer Loan, and the resigning Affiliated Borrower Special Servicer will be entitled to any special servicer surveillance fee, special servicing fees and liquidation fees that accrued while it was the Affiliated Borrower Special Servicer and, for any such underlying mortgage loan that (i) becomes a Corrected Mortgage Loan while such

resigning Affiliated Borrower Special Servicer is acting in such capacity, or (ii) would be a Corrected Mortgage Loan while such resigning Affiliated Borrower Special Servicer is acting in such capacity but for the requirement to receive three consecutive monthly debt service payments (provided that such payments occur within three months after such effective date of the resignation of such Affiliated Borrower Special Servicer), the related workout fees.

In the event of resignation of the special servicer or the Affiliated Borrower Special Servicer as to the servicing of any Affiliated Borrower Special Servicer Loans, the successor will be required to immediately succeed to its predecessor's duties under the Pooling and Servicing Agreement.

**Affiliated Borrower Special Servicer** means the successor to the resigning special servicer for the related Affiliated Borrower Special Servicer Loan, which successor is appointed in accordance with the requirements set forth above.

**Affiliated Borrower Special Servicer Loan** means any underlying mortgage loan with respect to which an Affiliated Borrower Special Servicer Loan Event has occurred and is continuing. As of the Closing Date, no Affiliated Borrower Special Servicer Loan is expected to exist.

**Affiliated Borrower Special Servicer Loan Event** means an event that will exist with respect to any underlying mortgage loan if at any time the special servicer is not Freddie Mac, and such Third Party Special Servicer obtains knowledge that the Third Party Special Servicer, any of its managing members or any of its affiliates (i) becomes, intends to become or is the related borrower (or a proposed replacement borrower) or a Restricted Mezzanine Holder, (ii) becomes aware that the Third Party Special Servicer, any of its managing members or any of its affiliates is or intends to become an affiliate of the related borrower (or affiliate of the proposed replacement borrower) or a Restricted Mezzanine Holder or (iii) becomes or intends to become the owner of a direct or indirect interest in the related borrower (including a security interest (but not including a mezzanine loan unless the special servicer is a Restricted Mezzanine Holder) or preferred equity or participation interest) or in the related mortgaged real property (including any lien on such mortgaged real property). As of the Closing Date, no Affiliated Borrower Special Servicer Loan Event is expected to exist.

In addition, (i) if Freddie Mac is then acting as master servicer, Freddie Mac as master servicer will be permitted to, and (ii) if Freddie Mac is not then acting as master servicer, Freddie Mac will be entitled to direct any Third Party Master Servicer to remove any sub-servicer with respect to any underlying mortgage loan if (x) Freddie Mac determines, in accordance with the provisions of the Guide that any sub-servicer should not sub-service the underlying mortgage loan, (y) such sub-servicer becomes an affiliate of the trustee or (z) Freddie Mac determines, in its reasonable discretion, that a conflict of interest exists between the sub-servicer and the related borrower such that the sub-servicer should not sub-service the related underlying mortgage loan. Any sub-servicer that is terminated pursuant to clauses (x), (y) or (z) above will have the right to sell its sub-servicing to either any Third Party Master Servicer or another sub-servicer acceptable to Freddie Mac, which acceptance may not be unreasonably withheld or delayed. Any such removal of a sub-servicer will be at the expense of Freddie Mac, and none of the master servicer, the special servicer, the issuing entity, the depositor, the trustee or the certificate administrator will be liable to a sub-servicer for any termination or other fees, costs and expenses associated with the removal of such sub-servicer.

***Transfer of Servicing Duties.*** In connection with such appointment and assumption of a successor to the master servicer or the special servicer as described in this information circular, subject to the right of the predecessor master servicer or special servicer to retain certain fees earned by it prior to the subject event of default, the trustee may make such arrangements for the compensation of such successor out of payments on the underlying mortgage loans as it and such successor agree. However, no such compensation with respect to a successor master servicer or successor special servicer, as the case may be, will be in excess of that paid to the terminated master servicer or the special servicer, as the case may be, under the Pooling and Servicing Agreement. The trustee, the master servicer, the special servicer and such successor are required to take such action, consistent with the Pooling and Servicing Agreement, as will be necessary to effectuate any such succession. Any reasonable costs and expenses associated with the transfer of the servicing function (other than with respect to a termination without cause of the special servicer by Freddie Mac as described above under “—Removal of the Master Servicer, the Special Servicer and any Sub-Servicer”) under the Pooling and Servicing Agreement will be required to be borne by the predecessor master servicer or special servicer. However, if such predecessor master servicer or special servicer, as applicable, fails to pay such costs and expenses after reasonable efforts to obtain payment, then such costs and expenses will be an expense of the issuing entity.

If the master servicer or the special servicer, as the case may be, is terminated pursuant to the terms of the Pooling and Servicing Agreement, it is required to promptly (and in any event no later than 20 Business Days after its receipt of the notice of termination) provide the trustee with all documents and records requested by it and in the possession of the master servicer or the special servicer, as the case may be, to enable the trustee or another successor to assume the master servicer's or the special servicer's, as the case may be, functions under the Pooling and Servicing Agreement, and is required to reasonably cooperate with the trustee in effecting the termination of the master servicer's or the special servicer's, as the case may be, responsibilities and rights under the Pooling and Servicing Agreement, including, without limitation, the prompt transfer (and in any event no later than five Business Days after its receipt of the notice of termination) to the trustee or another successor for administration by it of all cash amounts which are at the time, or should have been, credited by the master servicer to the collection account or any other account held by it on account of the underlying mortgage loans or credited by the special servicer to an REO account, as the case may be, or which thereafter are received with respect to any underlying mortgage loan or any REO Property.

### **The Trustee, Certificate Administrator and Custodian**

U.S. Bank National Association, a national banking association ("U.S. Bank"), will act as trustee, certificate administrator, custodian and certificate registrar under the Pooling and Servicing Agreement. U.S. Bancorp, with total assets exceeding \$464 billion as of June 30, 2017, is the parent company of U.S. Bank, the fifth largest commercial bank in the United States. As of June 30, 2017, U.S. Bancorp served approximately 18 million customers and operated over 3,000 branch offices in 25 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, and institutions.

U.S. Bank has one of the largest corporate trust businesses in the country with office locations in 53 domestic and two international cities. The Pooling and Servicing Agreement will be administered from U.S. Bank's corporate trust office located at One Federal Street, 3<sup>rd</sup> Floor, Mailcode EX-MA-FED, Boston, Massachusetts 02110 (and for certificate transfer services, 111 Fillmore Avenue, St. Paul, Minnesota 55107, Attention: Bondholder Services – FREMF 2017-KP04).

U.S. Bank has provided corporate trust services since 1924. As of June 30, 2017, U.S. Bank was acting as trustee with respect to over 90,000 issuances of securities with an aggregate outstanding principal balance of over \$3.5 trillion. This portfolio includes corporate and municipal bonds, mortgage-backed and asset-backed securities and collateralized debt obligations.

The certificate administrator is required to make each monthly statement available to the Certificateholders via the certificate administrator's internet website at [www.usbank.com/abs](http://www.usbank.com/abs). Certificateholders with questions may direct them to the certificate administrator's bondholder services group at (800) 934-6802.

As of June 30, 2017, U.S. Bank (and its affiliate U.S. Bank Trust National Association) was acting as trustee, paying agent and certificate registrar on 332 issuances of commercial mortgage-backed securities with an outstanding aggregate principal balance of approximately \$153,380,300,000.

Since 2014 various plaintiffs or groups of plaintiffs, primarily investors, have filed claims against U.S. Bank in its capacity as trustee or successor trustee (as the case may be) under certain residential mortgage-backed securities ("RMBS") trusts. The plaintiffs or plaintiff groups have filed substantially similar complaints against other RMBS trustees, including Deutsche Bank, Citibank, HSBC, Bank of New York Mellon and Wells Fargo. The complaints against U.S. Bank allege the trustee caused losses to investors as a result of alleged failures by the sponsors, mortgage loan sellers and servicers for these RMBS trusts and assert causes of action based upon the trustee's purported failure to enforce repurchase obligations of mortgage loan sellers for alleged breaches of representations and warranties concerning loan quality. The complaints also assert that the trustee failed to notify securityholders of purported events of default allegedly caused by breaches of servicing standards by mortgage loan servicers and that the trustee purportedly failed to abide by a heightened standard of care following alleged events of default.

Currently U.S. Bank is a defendant in multiple actions alleging individual or class action claims against the trustee with respect to multiple trusts as described above with the most substantial case being: BlackRock Balanced Capital Portfolio et al v. U.S. Bank National Association, No. 605204/2015 (N.Y. Sup. Ct.) (class action alleging

claims with respect to approximately 770 trusts) and its companion case BlackRock Core Bond Portfolio et al v. U.S. Bank National Association, No. 14-cv-9401 (S.D.N.Y.). Some of the trusts implicated in the aforementioned Blackrock cases, as well as other trusts, are involved in actions brought by separate groups of plaintiffs related to no more than 100 trusts per case.

U.S. Bank cannot assure you as to the outcome of any of the litigation, or the possible impact of these litigations on the trustee or the RMBS trusts. However, U.S. Bank denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of losses to investors and that it has meritorious defenses, and it intends to contest the plaintiffs' claims vigorously.

Under the terms of the Pooling and Servicing Agreement, U.S. Bank is responsible for securities administration, which includes pool performance calculations, distribution calculations and the preparation of monthly distribution reports. The distribution reports will be reviewed by an analyst and then by a supervisor using a transaction-specific review spreadsheet. Any corrections identified by the supervisor will be corrected by the analyst and reviewed by the supervisor. The supervisor also will be responsible for the timely delivery of reports to the administration unit for processing all cashflow items. As securities administrator, U.S. Bank is also responsible for the preparation and filing of all grantor trust tax returns on behalf of the issuing entity. In the past three years, U.S. Bank has not made material changes to the policies and procedures of its securities administration services for commercial mortgage-backed securities.

U.S. Bank will act as custodian of the mortgage files pursuant to the Pooling and Servicing Agreement. As custodian, U.S. Bank is responsible for holding the mortgage files on behalf of the trustee. U.S. Bank will hold the mortgage files in one of its custodial vaults, which are located at 60 Livingston Avenue, Suite 800, St. Paul, Minnesota 55107 Attention: FREMF 2017-KP04. The mortgage files are tracked electronically to identify that they are held by U.S. Bank pursuant to the Pooling and Servicing Agreement. U.S. Bank uses a barcode tracking system to track the location of, and owner or secured party with respect to, each file that it holds as custodian, including the mortgage files held on behalf of the trustee. As of June 30, 2017, U.S. Bank holds approximately 10,322,000 document files for approximately 980 entities and has been acting as a custodian for over 20 years.

In its capacity as trustee on commercial mortgage securitizations, U.S. Bank is generally required to make an advance if the related master servicer or special servicer fails to make a required advance. In the past three years, U.S. Bank, in its capacity as trustee, has not been required to make an advance on a U.S. domestic CMBS transaction.

The information set forth above in this section “—The Trustee, Certificate Administrator and Custodian” has been provided by U.S. Bank. Neither the depositor nor any other person other than U.S. Bank makes any representation or warranty as to the accuracy or completeness of such information.

See also “—Rights Upon Event of Default,” “—Matters Regarding the Trustee, the Certificate Administrator and the Custodian” and “—Certain Indemnities” below.

### **Resignation and Removal of the Trustee and the Certificate Administrator**

Each of the trustee and the certificate administrator will be permitted at any time to resign from its obligations and duties under the Pooling and Servicing Agreement by giving not less than 30 days' prior written notice to the depositor, the master servicer, the special servicer, Freddie Mac (if Freddie Mac is not then acting as master servicer or the special servicer, as applicable), the trustee or the certificate administrator, as the case may be, and all certificateholders. Upon receiving a notice of resignation, the depositor will be required to use its reasonable best efforts to promptly appoint a qualified successor trustee or certificate administrator acceptable to the master servicer and Freddie Mac (if Freddie Mac is not then acting as master servicer). If no successor trustee or certificate administrator has been so appointed and has accepted an appointment within 30 days after the giving of the notice of resignation, the resigning trustee or certificate administrator may petition any court of competent jurisdiction to appoint a successor trustee or certificate administrator, as applicable.

Each of the trustee and the certificate administrator must at all times be, and will be required to resign if it fails to be, (i) a corporation, national bank, trust company or national banking association, organized and doing business under the laws of any state or the United States of America or the District of Columbia, authorized under such laws

to exercise corporate trust powers and to accept the trust conferred under the Pooling and Servicing Agreement, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority and, only in the case of the trustee, may not be an affiliate of the depositor, the master servicer or the special servicer (except during any period when the trustee is acting as, or has become successor to, a master servicer or a special servicer, as the case may be), (ii) an institution insured by the Federal Deposit Insurance Corporation and (iii) an institution whose long term senior unsecured debt (a) is rated "A" or higher by Fitch and "Aa3" or higher by Moody's (or "A2" or higher by Moody's if such institution's short term unsecured debt obligations are rated "P-1" or higher by Moody's) or (b) is otherwise acceptable to Freddie Mac with respect to such trustee or certificate administrator.

If at any time the trustee or the certificate administrator ceases to be eligible to continue as the trustee or the certificate administrator under the Pooling and Servicing Agreement, and fails to resign after written request by Freddie Mac, the depositor or any Third Party Master Servicer, or if at any time the trustee or the certificate administrator, as applicable, becomes incapable of acting, or if some events of, or proceedings in respect of, bankruptcy or insolvency occur with respect to the trustee or the certificate administrator, the depositor will be authorized to remove the trustee or the certificate administrator and appoint a successor trustee or certificate administrator, as applicable. In addition, Freddie Mac may with cause (at any time) or without cause (at any time upon at least 30 days' prior written notice), remove the trustee or certificate administrator under the Pooling and Servicing Agreement and appoint a successor trustee or certificate administrator acceptable to Freddie Mac. Any successor trustee or certificate administrator must be an institution that meets the requirements of the immediately preceding paragraph. Further, if the ratings of the trustee or the certificate administrator fall below the ratings required by the immediately preceding paragraph, Freddie Mac will have the right to remove the trustee or certificate administrator, as applicable, and appoint a successor trustee or certificate administrator that meets the standards set forth in the Pooling and Servicing Agreement and who is otherwise acceptable to Freddie Mac in its sole discretion.

Any resignation or removal of a trustee or a certificate administrator and appointment of a successor trustee or certificate administrator will not become effective until acceptance of appointment by the successor trustee or certificate administrator, as applicable.

In the event of any resignation or removal of a trustee or a certificate administrator (other than a resignation of a trustee that is required solely due to a change in law or a conflict of interest arising after the Closing Date that is not waived by all of the parties in conflict or is unwaivable), such resignation or removal will be effective with respect to each of such party's other capacities under the Pooling and Servicing Agreement, including, without limitation, such party's capacities as trustee, custodian, certificate administrator and certificate registrar, as the case may be.

See "—Rights Upon Event of Default," "—Matters Regarding the Trustee, the Certificate Administrator and the Custodian" and "—Certain Indemnities" below.

### **Assignment of the Mortgage Loans**

On the Closing Date, we will sell, assign, transfer or otherwise convey all of our right, title and interest in and to the underlying mortgage loans acquired from the mortgage loan seller, without recourse, to the trustee for the benefit of the holders of the certificates. We will also assign to the trustee our rights under the mortgage loan purchase agreement pursuant to which we acquired the underlying mortgage loans from the mortgage loan seller, except for certain rights to receive notices regarding demands for the mortgage loan seller to repurchase or replace any of the underlying mortgage loans.

## **Servicing Under the Pooling and Servicing Agreement**

*General.* The master servicer and the special servicer must diligently service and administer the underlying mortgage loans and any REO Properties owned by the issuing entity for which it is responsible under the Pooling and Servicing Agreement directly, through sub-servicers or through an affiliate as provided in the Pooling and Servicing Agreement on behalf of the issuing entity and in the best interests of and for the benefit of the holders of certificates (as a collective whole) in the related Certificate Group , as determined by the master servicer or the special servicer, as the case may be, in its reasonable judgment, in accordance with—

- any and all applicable laws,
- the express terms of the Pooling and Servicing Agreement,
- the express terms of the respective underlying mortgage loans and any applicable intercreditor, co-lender or similar agreements, and
- to the extent consistent with the foregoing, the Servicing Standard.

In general, the master servicer will be responsible for the servicing and administration of—

- all underlying mortgage loans as to which no Servicing Transfer Event has occurred, and
- all worked-out underlying mortgage loans as to which no new Servicing Transfer Event has occurred.

If a Servicing Transfer Event occurs with respect to any underlying mortgage loan, that underlying mortgage loan will not be considered to be “worked-out” until all applicable Servicing Transfer Events have ceased to exist.

In general, subject to specified requirements and certain consultations, consents and approvals of Freddie Mac contained in the Pooling and Servicing Agreement, the special servicer will be responsible for the servicing and administration of each underlying mortgage loan as to which a Servicing Transfer Event has occurred and is continuing. The special servicer will also be responsible for the administration of each REO Property in the issuing entity.

Despite the foregoing, the Pooling and Servicing Agreement will require the master servicer:

- to continue to make all calculations and, subject to the master servicer’s timely receipt of information from the special servicer, prepare and deliver all reports to the certificate administrator required with respect to any specially serviced assets; and
- otherwise, to render other incidental services with respect to any specially serviced assets.

The master servicer will transfer servicing of an underlying mortgage loan to the special servicer upon the occurrence of a Servicing Transfer Event with respect to that underlying mortgage loan. The special servicer will return the servicing of that underlying mortgage loan to the master servicer, and that underlying mortgage loan will be considered to have been worked-out, if and when all Servicing Transfer Events with respect to that underlying mortgage loan cease to exist and that underlying mortgage loan has become a Corrected Mortgage Loan.

Any Third Party Master Servicer and any sub-servicer may consult with Freddie Mac with respect to the application of Freddie Mac Servicing Practices to any matters related to non-Specially Serviced Mortgage Loans. Freddie Mac will be acting as a “servicing consultant” in connection with such consultations. Any sub-servicer will be required to inform any Third Party Master Servicer of any such consultation with Freddie Mac. Freddie Mac (in its capacity as the servicing consultant) may contact the related borrower to request any necessary documentation from such borrower in order to provide consultation to any Third Party Master Servicer or any sub-servicer with respect to proper application of Freddie Mac Servicing Practices (a copy of such documentation will also be provided by Freddie Mac to (i) any Third Party Master Servicer and (ii) if applicable, any sub-servicer that is consulting with Freddie Mac (in its capacity as servicing consultant), in each case, to the extent not already provided by such borrower).

## **The Guide**

In addition to the specific requirements of the Pooling and Servicing Agreement as described above, and to the extent not inconsistent therewith, the master servicer and the special servicer will be required to service the underlying mortgage loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans in accordance with Freddie Mac Servicing Practices, an important component of which is the Guide. Freddie Mac may waive or modify its servicing policies and procedures, as reflected in the Guide at any time. The Guide can be accessed by subscribers at [www.allregs.com](http://www.allregs.com).

Generally, under the Guide, servicers are required to perform all services and duties customary to the servicing of multifamily mortgage loans, including those factors enumerated in “Description of the Mortgage Loan Seller and Guarantor—Mortgage Loan Purchase and Servicing Standards of the Mortgage Loan Seller—Mortgage Loan Servicing Policies and Procedures” in this information circular.

See “Risk Factors—Risks Related to the Underlying Mortgage Loans—The Master Servicer and the Special Servicer Will Be Required to Service Certain Underlying Mortgage Loans in Accordance with Freddie Mac Servicing Practices, Which May Limit the Ability of the Master Servicer and the Special Servicer to Make Certain Servicing Decisions” in this information circular.

## **Servicing and Other Compensation and Payment of Expenses**

*The Servicing Fee.* The principal compensation to be paid to the master servicer with respect to its master servicing activities will be a servicing fee consisting of a master servicing fee, all or a portion of the master servicer surveillance fee and a sub-servicing fee. The principal compensation to be paid to any sub-servicer with respect to its sub-servicing activities will be a servicing fee consisting of a sub-servicing fee and a portion of the master servicer surveillance fee (subject to certain conditions described below).

A master servicing fee:

- will be earned with respect to each underlying mortgage loan including (without duplication)—
  1. any Specially Serviced Mortgage Loan, and
  2. any REO Loan, and
- in the case of each underlying mortgage loan will—
  1. be calculated on the same interest accrual basis as that underlying mortgage loan,
  2. accrue at the master servicing fee rate set forth in “Description of the Certificates—Fees and Expenses” in this information circular,
  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that underlying mortgage loan, and
  4. be payable monthly from amounts received with respect to interest on that underlying mortgage loan (or if not so paid, will accrue and remain outstanding).

A master servicer surveillance fee:

- will be earned with respect to each Surveillance Fee Mortgage Loan and will—
  1. be calculated on the same interest accrual basis as that Surveillance Fee Mortgage Loan,
  2. accrue at the master servicer surveillance fee rate set forth in “Description of the Certificates—Fees and Expenses” in this information circular,
  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that Surveillance Fee Mortgage Loan, and
  4. be payable monthly from amounts received with respect to interest on that Surveillance Fee Mortgage Loan (or if not so paid, will accrue and remain outstanding).

Pursuant to the terms of the related Sub-Servicing Agreement, a sub-servicer will be entitled to retain on a monthly basis  $66^{2/3}\%$  of the master servicer surveillance fees received by such sub-servicer in respect of each Surveillance Fee Mortgage Loan that it services (with the obligation to remit the remaining  $33^{1/3}\%$  of such fee to the master servicer), if such sub-servicer is identified in the Pooling and Servicing Agreement as being entitled to receive such fee. A sub-servicer's entitlement to such fee may not be transferred (in whole or in part) to any other party. If at any time an eligible sub-servicer enters, without Freddie Mac's prior approval, into an agreement providing for the further sub-servicing by a third party of any Surveillance Fee Mortgage Loan (other than mandatory servicing transfers due to conflicts of interest), or if Freddie Mac notifies the master servicer and the sub-servicer that such sub-servicer is no longer entitled to receive such fee, then the entire master servicer surveillance fee as to the Surveillance Fee Mortgage Loans serviced by that sub-servicer will be remitted to the master servicer.

A sub-servicing fee:

- will be earned with respect to each underlying mortgage loan, including (without duplication) Specially Serviced Mortgage Loans and each REO Loan, and
- in the case of each underlying mortgage loan will—
  1. be calculated on the same interest accrual basis as that underlying mortgage loan,
  2. accrue at the sub-servicing fee rate set forth in "Description of the Certificates—Fees and Expenses" in this information circular,
  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that underlying mortgage loan, and
  4. be payable monthly from amounts received with respect to interest on that underlying mortgage loan (or if not so paid, will accrue and remain outstanding).
- In the event that Freddie Mac resigns or is terminated as master servicer, Freddie Mac will be entitled to retain any sub-servicing fee payable to it in its capacity as primary servicer so long as it continues to act in that capacity for any underlying mortgage loan.

The right of the master servicer to receive the master servicing fee or the master servicer surveillance fee may not be transferred in whole or in part except in connection with the transfer of all of the master servicer's responsibilities and obligations under the Pooling and Servicing Agreement.

*Prepayment Interest Shortfalls.* The Pooling and Servicing Agreement provides that, although the loan documents require the payment of a full month's interest on any voluntary prepayment not made on a due date, if any Prepayment Interest Shortfall is incurred by reason of the master servicer's acceptance, other than at the request of Freddie Mac, of any principal prepayment relating to one or more underlying mortgage loans in either Loan Group during any Collection Period, then the master servicer must make a payment prior to the related distribution date in an amount equal to the aggregate of such Prepayment Interest Shortfalls incurred with respect to the related Loan Group for such Collection Period up to an amount not to exceed the master servicing fee on the underlying mortgage loans in the related Loan Group for such Collection Period, with no right to reimbursement. This obligation to cover Prepayment Interest Shortfalls will not apply with respect to a principal prepayment accepted by the master servicer (i) with respect to any Specially Serviced Mortgage Loan, (ii) subsequent to a default under the related loan documents (*provided* that the master servicer or the special servicer reasonably believes that acceptance of such prepayment is consistent with the Servicing Standard), (iii) pursuant to applicable law or a court order, (iv) in respect of a payment of insurance and condemnation proceeds or (v) pursuant to any term of the related loan documents that allows such prepayment to be made without the payment of a full month's interest.

In addition, if Prepayment Interest Shortfalls are incurred during any Collection Period with respect to any underlying mortgage loan serviced by the master servicer and the master servicer's payment in respect of such Prepayment Interest Shortfalls as contemplated by the prior paragraph is less than the entire amount of Prepayment Interest Shortfalls, then the master servicer (i) must apply any Prepayment Interest Excesses received during that Collection Period with respect to other underlying mortgage loans in the related Loan Group to offset such Prepayment Interest Shortfalls and (ii) in any event, may retain, as additional compensation, any such Prepayment Interest Excesses that are not needed to accomplish such offset.

No other master servicing compensation will be available to cover Prepayment Interest Shortfalls, and the master servicer's obligation to make payments to cover Prepayment Interest Shortfalls in respect of a particular Collection Period will not carry over to any subsequent Collection Period.

Any payments made by the master servicer with respect to any distribution date to cover Prepayment Interest Shortfalls, and any Prepayment Interest Excesses applied to offset Prepayment Interest Shortfalls, will be included in the Available Distribution Amount for the related Certificate Group for that distribution date, as described under "Description of the Certificates—Distributions" in this information circular. If the amount of Prepayment Interest Shortfalls incurred with respect to the underlying mortgage loans in the related Loan Group during any Collection Period exceeds the sum of—

- any payments made by the master servicer with respect to the related distribution date to cover those Prepayment Interest Shortfalls, and
- any Prepayment Interest Excesses applied to offset those Prepayment Interest Shortfalls,

then the resulting Net Aggregate Prepayment Interest Shortfall will be allocated among the respective classes of certificates in the related Certificate Group, in reduction of the interest distributable on those certificates in the such Certificate Group, as and to the extent described under "Description of the Certificates—Distributions—Interest Distributions" in this information circular.

*Principal Special Servicing Compensation.* The principal compensation to be paid to the special servicer with respect to its special servicing activities will be—

- the corresponding special servicing fees,
- the corresponding workout fees,
- the corresponding liquidation fees, and
- the special servicer surveillance fee.

Special Servicing Fee. A special servicing fee:

- will be earned with respect to—
  1. each Specially Serviced Mortgage Loan, and
  2. each REO Loan;
- in the case of each underlying mortgage loan described in the previous bullet point, will—
  1. be calculated on the same interest accrual basis as that underlying mortgage loan,
  2. accrue at the special servicing fee rate set forth in "Description of the Certificates—Fees and Expenses" in this information circular; and
  3. accrue on the Stated Principal Balance of that underlying mortgage loan outstanding from time to time, and
- will generally be payable to the special servicer monthly from general collections on the underlying mortgage loans in the related Loan Group.

Special Servicer Surveillance Fee. A special servicer surveillance fee:

- will be earned with respect to each Surveillance Fee Mortgage Loan and will—
  1. be calculated on the same interest accrual basis as that Surveillance Fee Mortgage Loan,
  2. accrue at the special servicer surveillance fee rate set forth in "Description of the Certificates—Fees and Expenses" in this information circular,
  3. accrue on the same principal amount as interest accrues or is deemed to accrue from time to time with respect to that Surveillance Fee Mortgage Loan, and

- will be payable monthly from amounts received with respect to interest on that Surveillance Fee Mortgage Loan (or if not so paid, will accrue and remain outstanding).

**Workout Fee.** The special servicer will, in general, be entitled to receive a workout fee with respect to each Specially Serviced Mortgage Loan that has been worked out by it. The workout fee will be payable out of, and will generally be calculated by application of the workout fee rate set forth in “Description of the Certificates—Fees and Expenses” in this information circular to each payment of interest (other than Default Interest) and principal (including scheduled payments, prepayments, balloon payments, payments at maturity and payments resulting from a partial condemnation) received on the underlying mortgage loan for so long as it remains a worked-out underlying mortgage loan. The workout fee with respect to any worked-out underlying mortgage loan will cease to be payable if a new Servicing Transfer Event occurs with respect to that underlying mortgage loan. However, a new workout fee would become payable if the underlying mortgage loan again became a worked-out underlying mortgage loan with respect to that new Servicing Transfer Event.

If the special servicer is terminated (other than for cause) or resigns, it will retain the right to receive any and all workout fees payable with respect to underlying mortgage loans that were (or were close to being) worked out by it during the period that it acted as the special servicer and as to which no new Servicing Transfer Event had occurred as of the time of that termination. The successor special servicer will not be entitled to any portion of those workout fees.

Although workout fees are intended to provide the special servicer with an incentive to better perform its duties, the payment of any workout fee will reduce amounts payable to the holders of certificates in the related Certificate Group.

**Liquidation Fee.** The special servicer will be entitled to receive a liquidation fee with respect to each Specially Serviced Mortgage Loan for which a full, partial or discounted payoff is made by the related borrower. The special servicer will also be entitled to receive a liquidation fee with respect to any Specially Serviced Mortgage Loan or REO Property as to which it receives any Liquidation Proceeds, except as described in the next paragraph. A liquidation fee will also be payable in connection with the repurchase or replacement of any worked-out underlying mortgage loan for a material breach of a representation or warranty or a material document defect, as described under “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular, if the repurchase or substitution occurs after the end of the applicable cure period (and any applicable extension of the applicable cure period). As to each Specially Serviced Mortgage Loan and REO Property, the liquidation fee will generally be payable from, and will be calculated by application of the liquidation fee rate set forth in “Description of the Certificates—Fees and Expenses” in this information circular to, the related payment or proceeds, exclusive of liquidation expenses.

However, no liquidation fee will be payable based on, or out of, proceeds received in connection with—

- the purchase of a Defaulted Loan if the purchaser is Freddie Mac or the related Junior Loan Holder as described under “—Realization Upon Mortgage Loans—Purchase Option” below;
- the repurchase or replacement of any underlying mortgage loan for a material breach of a representation or warranty or a material document defect as described under “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular, within the applicable cure period (and any applicable extension of the applicable cure period); or
- the purchase of all of the underlying mortgage loans and REO Properties in either Loan Group by Freddie Mac, any Third Party Master Servicer or any Third Party Special Servicer in connection with the retirement of the related Certificate Group, as described under “—Retirement” below.

Although liquidation fees are intended to provide the special servicer with an incentive to better perform its duties, the payment of any liquidation fee will reduce amounts payable to the certificateholders in the related Certificate Group.

If Freddie Mac is no longer the special servicer, the right of the special servicer to receive the related special servicing fee and special servicer surveillance fee may not be transferred in whole or in part except in connection

with the transfer of all of the special servicer's responsibilities and obligations under the Pooling and Servicing Agreement.

However, the special servicer may, subject to the above-described prohibition on transfers of the right to receive the special servicing fee and the special servicer surveillance fee, enter into one or more arrangements to assign to another person (including, without limitation, any certificateholder or an affiliate of any certificateholder), or to provide for the payment by the special servicer to such person, of all or a portion of the special servicer's compensation (excluding the special servicing fee or the special servicer surveillance fee, if Freddie Mac is no longer the special servicer, as described above) under the Pooling and Servicing Agreement, *provided*, that any such assignment or provision will not be binding on any successor special servicer or any other party to the Pooling and Servicing Agreement.

*Additional Servicing Compensation.* The master servicer may retain, as additional compensation, any Prepayment Interest Excesses received with respect to the underlying mortgage loans, but only to the extent that such Prepayment Interest Excesses are not needed to offset Prepayment Interest Shortfalls, as described under "—Prepayment Interest Shortfalls" above. The master servicer may also retain all the Transfer Processing Fees collected on or with respect to any underlying mortgage loans that are not Specially Serviced Mortgage Loans (a portion of which may be payable to a sub-servicer under a related Sub-Servicing Agreement).

Any late payment charges and Default Interest actually collected on an underlying mortgage loan and that are not otherwise applied as described in the last paragraph under "Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses" in this information circular, will be allocated between the master servicer and the special servicer as additional compensation in accordance with the Pooling and Servicing Agreement.

Any extension fees, modification fees, assumption fees, assumption application fees, earnout fees, consent/waiver fees and other comparable transaction fees and charges collected on the Specially Serviced Mortgage Loans will be allocated to the special servicer, as shown under "Description of the Certificates—Fees and Expenses" in this information circular.

The master servicer will be authorized to invest or direct the investment of funds held in its collection account, or in any escrow and/or reserve account maintained by it, in Permitted Investments. See "—Collection Account" below. The master servicer—

- will generally be entitled to retain any interest or other income earned on those funds; and
- in the case of any Third Party Master Servicer, will be required to cover any losses of principal from its own funds, to the extent those losses are incurred with respect to investments made for the Third Party Master Servicer's benefit, but such Third Party Master Servicer is not required to cover any losses caused by the insolvency of the depository institution or trust company holding such account so long as (i) such depository institution or trust company (a) satisfied the requirements set forth in the Pooling and Servicing Agreement at the time such investment was made and (b) is neither such Third Party Master Servicer nor an affiliate of such Third Party Master Servicer and (ii) such insolvency occurs within 30 days of the date on which such depository institution or trust company no longer satisfies the requirements set forth in the Pooling and Servicing Agreement.

The special servicer will be authorized to invest or direct the investment of funds held in its REO account in Permitted Investments. See "—Realization Upon Mortgage Loans—REO Account" below. The special servicer—

- will generally be entitled to retain any interest or other income earned on those funds; and
- in the case of any Third Party Special Servicer, will be required to cover any losses of principal from its own funds, to the extent those losses are incurred with respect to investments made for the Third Party Special Servicer's benefit, but such Third Party Special Servicer is not required to cover any losses caused by the insolvency of the depository institution or trust company holding the REO accounts so long as (i) such depository institution or trust company (a) satisfied the requirements set forth in the Pooling and Servicing Agreement at the time such investment was made and (b) is neither such Third Party Special Servicer nor an affiliate of such Third Party Special Servicer and (ii) such insolvency occurs within 30 days

of the date on which such depository institution or trust company no longer satisfies the requirements set forth in the Pooling and Servicing Agreement.

*Servicing Advances.* With respect to each underlying mortgage loan, in accordance with the Servicing Standard, the master servicer will be obligated, if and to the extent necessary, to advance all such amounts as are necessary to pay, among other things, (i) premiums on insurance policies with respect to the related mortgaged real property; (ii) operating, leasing, managing and liquidation expenses for the mortgaged real property after it has become an REO Property; (iii) the cost of environmental inspections with respect to the mortgaged real property; (iv) real estate taxes, assessments and other items that are or may become a lien on the mortgaged real property; (v) the costs and expenses of any enforcement or judicial proceedings with respect to that underlying mortgage loan, including foreclosure and similar proceedings; (vi) the cost of appraisals with respect to such mortgaged real property and (vii) any other amount required to be paid as a servicing advance or deemed to be a servicing advance under the Pooling and Servicing Agreement (each, a “Servicing Advance”). The special servicer will have no obligation to make any Servicing Advances.

With respect to any underlying mortgage loan that has a related subordinate loan and is subject to an intercreditor agreement that allows the lender for the underlying mortgage loan to cure defaults on the related subordinate loan, any advance made by the master servicer or the special servicer to exercise the issuing entity’s rights under such intercreditor agreement to cure any such default on the subordinate loan will be limited to the monthly debt service payments on the subordinate loan and will be deemed to be a Servicing Advance. This monthly debt service payment limitation does not apply to defaults under the related subordinate loan which are also defaults under the senior underlying mortgage loan and as to which the Servicing Advance is being made pursuant to the related underlying mortgage loan documents and not solely to cure the default on the subordinate loan. In addition, with respect to any underlying mortgage loan that has a related subordinate loan, any Servicing Advance that is made or proposed to be made in order to cure a default on such subordinate loan will be subject to the same application, reimbursements and nonrecoverability determinations as any other Servicing Advance under the Pooling and Servicing Agreement. The master servicer will not be required to make any Servicing Advance that would, if made, constitute a Nonrecoverable Servicing Advance.

Any and all customary, reasonable and necessary out-of-pocket costs and expenses (including for the remediation of any adverse environmental circumstance or condition at any of the mortgaged real properties) incurred by the master servicer or the special servicer in connection with the servicing of an underlying mortgage loan if a default, delinquency or other unanticipated event has occurred or is reasonably foreseeable, or in connection with the administration of any REO Property in the issuing entity, will be Servicing Advances. Servicing Advances will be reimbursable from future payments and other collections, including insurance proceeds, condemnation proceeds and Liquidation Proceeds, received in connection with the related underlying mortgage loan or REO Property, except as described below with respect to Nonrecoverable Servicing Advances.

The special servicer will request the master servicer to make required Servicing Advances with respect to a Specially Serviced Mortgage Loan or REO Property on a monthly basis (except for Servicing Advances required on an emergency basis). The special servicer must make the request not less than five Business Days prior to the date the subject advance is required to be made (except for Servicing Advances required on an emergency basis). The master servicer must make the requested Servicing Advance within a specified number of days following the master servicer’s receipt of the request. The special servicer will be required to provide the master servicer any information in its possession as the master servicer may reasonably request to enable the master servicer to determine whether a requested Servicing Advance would be recoverable from expected collections on the Specially Serviced Mortgage Loan or REO Property.

To the extent that the master servicer fails to make a Servicing Advance that it is required to make under the Pooling and Servicing Agreement and a responsible officer of the trustee has received written notice or has actual knowledge of such failure by the master servicer, the trustee will be required to make such Servicing Advance pursuant to the Pooling and Servicing Agreement no later than one Business Day following the master servicer’s failure to make such Servicing Advances by expiration of the applicable cure period as described under “—Events of Default” below.

Despite the foregoing discussion, neither the trustee nor the master servicer will be obligated to make Servicing Advances that, in its judgment or in the special servicer’s judgment (in accordance with the Servicing Standard in

the case of the judgment of the master servicer or the special servicer, or in accordance with good faith business judgment in the case of the judgment of the trustee), would not be ultimately recoverable from expected collections on the related underlying mortgage loan or REO Property. If the master servicer or the trustee makes a Servicing Advance with respect to any underlying mortgage loan or related REO Property (including any such Servicing Advance that is a Workout-Delayed Reimbursement Amount), that the master servicer, the trustee or the special servicer subsequently determines (in accordance with the Servicing Standard in the case of the determination of the master servicer or the special servicer, as applicable, or in accordance with good faith business judgment in the case of the trustee) is not recoverable from expected collections on that underlying mortgage loan or REO Property (or, if such advance becomes a Workout-Delayed Reimbursement Amount, out of collections of principal on all the underlying mortgage loans in the related Loan Group after the application of those principal payments and collections to reimburse any party for a Nonrecoverable Advance) (any such Servicing Advance, a “Nonrecoverable Servicing Advance”), the master servicer or the trustee, as applicable, may obtain reimbursement for that advance, together with accrued and unpaid interest on that advance, out of general collections on the related Loan Group. In making such determination, the master servicer, the trustee or the special servicer, as applicable, may take into account a range of relevant factors, including, among other things, (i) the existence of any outstanding Nonrecoverable Advance or Workout-Delayed Reimbursement Amount on any underlying mortgage loan or REO Loan in the related Loan Group, (ii) the obligations of the borrower under the related underlying mortgage loan, (iii) the related mortgaged real property in its “as is” condition, (iv) future expenses and (v) the timing of recoveries. Any reimbursement of a Nonrecoverable Servicing Advance (including interest accrued on such amount) will be deemed to be reimbursed first from payments and other collections of principal on the underlying mortgage loans in the related Loan Group (thereby reducing the amount of principal otherwise distributable on the Principal Balance Certificates of the related Certificate Group on the related distribution date) prior to the application of any other general collections on the related Loan Group against such reimbursement. The special servicer’s determination that a Servicing Advance is a Nonrecoverable Servicing Advance will be conclusive and binding on the master servicer and the trustee. Prior to or absent such a determination by the special servicer, each of the master servicer and the trustee will be entitled to make its own determination that a Servicing Advance is a Nonrecoverable Servicing Advance, and neither the special servicer nor any other party may require the master servicer or the trustee to make any Servicing Advance that the master servicer or the trustee has determined to be a Nonrecoverable Servicing Advance. In addition, the trustee will be entitled to conclusively rely on the master servicer’s determination that a Servicing Advance is a Nonrecoverable Servicing Advance.

However, instead of obtaining reimbursement out of general collections on the related Loan Group immediately, the master servicer or the trustee, as applicable, may, in its sole discretion, elect to obtain reimbursement for a Nonrecoverable Servicing Advance over a period of time (not to exceed six months without the consent of Freddie Mac or 12 months in any event), with interest on such amount at the Prime Rate. At any time after such a determination to obtain reimbursement over time in accordance with the preceding sentence, the master servicer or the trustee, as applicable, may, in its sole discretion, decide to obtain reimbursement from general collections on the related Loan Group immediately. In general, such a reimbursement deferral will only be permitted under the Pooling and Servicing Agreement if and to the extent that the subject Nonrecoverable Servicing Advance, after taking into account other outstanding Nonrecoverable Advances, could not be reimbursed with interest out of payments and other collections of principal on the related Loan Group during the current Collection Period. The fact that a decision to recover a Nonrecoverable Servicing Advance over time, or not to do so, benefits some classes of certificateholders to the detriment of other classes of certificateholders will not constitute a violation of the Servicing Standard or a breach of the terms of the Pooling and Servicing Agreement by any party to the Pooling and Servicing Agreement, or a violation of any duty owed to the certificateholders by any party to the Pooling and Servicing Agreement.

In addition, in the event that any Servicing Advance becomes a Workout-Delayed Reimbursement Amount, the master servicer or the trustee, as applicable, will be entitled to reimbursement for such advance and interest accrued and unpaid on such advance (even though that advance is not deemed a Nonrecoverable Servicing Advance), on a monthly basis, out of – but solely out of – payments and other collections of principal on all the underlying mortgage loans in the related Loan Group after the application of those principal payments and collections to reimburse any party for any Nonrecoverable Advance, prior to any distributions of principal on the related Loan Group Certificates. If any such advance is not reimbursed in whole due to insufficient principal collections during the related Collection Period, the portion of that advance which remains unreimbursed will be carried over (with interest on such amount continuing to accrue) for reimbursement in the following Collection Period (to the extent of

principal collections available for that purpose). If any such advance, or any portion of any such advance, is determined, at any time during this reimbursement process, to be a Nonrecoverable Advance, then the master servicer or the trustee, as applicable, will be entitled to immediate reimbursement as a Nonrecoverable Advance from general collections on the related Loan Group in an amount equal to the portion of that advance that remains outstanding, plus accrued interest.

The master servicer is permitted (or is required to, at the direction of the special servicer if a Specially Serviced Mortgage Loan or REO Property is involved) to pay directly out of its collection account any servicing expense that, if advanced by the master servicer, would not be recoverable from expected collections on the related underlying mortgage loan or REO Property. This is only to be done, however, when the master servicer, or the special servicer if a Specially Serviced Mortgage Loan or REO Property is involved, has determined in accordance with the Servicing Standard that making the payment is in the best interests of the holders of certificates as a collective whole in the related Certificate Group.

The master servicer, the special servicer and the trustee will be entitled to receive interest on Servicing Advances made by them. The interest will accrue on the amount of each Servicing Advance for so long as the Servicing Advance is outstanding, at a rate *per annum* equal to the Prime Rate. Interest accrued with respect to any Servicing Advance made with respect to any underlying mortgage loan or the related mortgaged real property will be payable in connection with the reimbursement of that Servicing Advance—

- *first*, out of any Default Interest and late payment charges collected on that underlying mortgage loan subsequent to the accrual of that advance interest, and
- *then*, at the time or after the advance has been reimbursed, if and to the extent that the Default Interest and late payment charges referred to in the prior bullet point are insufficient to cover the advance interest, out of any amounts on deposit in the collection account attributable to the related Loan Group.

#### **Enforcement of “Due-on-Sale” and “Due-on-Encumbrance” Clauses**

The special servicer, with respect to the Specially Serviced Mortgage Loans, and the master servicer, with respect to the other underlying mortgage loans, each will be required to determine, in a manner consistent with the Servicing Standard, whether to exercise or waive any right the lender may have under either a due-on-sale or due-on-encumbrance clause to accelerate payment of that underlying mortgage loan. Generally, the master servicer or the special servicer (in the case of any Specially Serviced Mortgage Loan), will be required to enforce such due-on-sale or due-on-encumbrance clause, unless the master servicer or the special servicer, as applicable, determines, in accordance with the Servicing Standard, and subject to the applicable provisions of the Pooling and Servicing Agreement, that (i) not declaring an event of default (as defined in the related loan documents) or (ii) granting its consent, in its reasonable judgment, would be consistent with the Servicing Standard. In addition, the master servicer or the special servicer, as applicable, may not waive its rights under a due-on-sale or due-on-encumbrance clause unless the related borrower or a third party, but in no event the issuing entity, pays all related expenses with respect to such waiver. Furthermore, no Third Party Master Servicer or Third Party Special Servicer may waive its rights or grant its consent under any due-on-sale or due-on-encumbrance clause, other than as expressly permitted pursuant to the Pooling and Servicing Agreement, without the consent of Freddie Mac.

Before the master servicer or the special servicer may waive any rights under a “due-on-sale” or “due-on-encumbrance” clause, the master servicer or the special servicer, as applicable, must have provided notice to Freddie Mac (if Freddie Mac is not then acting as the master servicer or the special servicer, as applicable) in accordance with the Pooling and Servicing Agreement.

With respect to any non-Specially Serviced Mortgage Loan and in connection with the master servicer’s review, consent and/or approval of any Transfer Processing Fee Transaction, the master servicer may as a condition to reviewing any such request by a borrower require that such borrower pay to it as additional servicing compensation, or otherwise, the Transfer Processing Fee. In addition, if the related loan documents require lender consent to a borrower’s request for an assumption or waiver of a “due-on-sale” clause with respect to any loan, the master servicer may require that such borrower pay to it as additional servicing compensation, or otherwise, the Transfer Fee; provided that despite anything to the contrary in the related loan documents, the master servicer may not require a borrower to pay a Transfer Fee in excess of \$250,000 in connection with any single transaction, provided

that a transaction involving multiple underlying mortgage loans in a Loan Group will not be deemed to constitute a single transaction.

### **Modifications, Waivers, Amendments and Consents**

The Pooling and Servicing Agreement will permit the master servicer or the special servicer, as applicable, to modify, waive or amend any term of any underlying mortgage loan if it determines in accordance with the Servicing Standard that it is appropriate to do so. However, no such modification, waiver or amendment of a non-Specially Serviced Mortgage Loan may—

- affect the amount or timing of any scheduled payments of principal, interest or other amounts (including Yield Maintenance Charges and Static Prepayment Premiums) payable under the underlying mortgage loan, with limited exceptions generally involving the waiver of Default Interest and late payment charges;
- affect the obligation of the related borrower to pay a Yield Maintenance Charge or Static Prepayment Premium or permit a principal prepayment during the applicable lockout period;
- result in a release of the lien of the related mortgage on any material portion of such mortgaged real property without a corresponding principal prepayment, except as expressly provided by the related loan documents, in connection with a pending or threatened condemnation or in connection with a material adverse environmental condition at the related mortgaged real property;
- in the judgment of the master servicer or the special servicer, as applicable, materially impair the security for the underlying mortgage loan or reduce the likelihood of timely payment of amounts due on such underlying mortgage loan; or
- violate the terms of any intercreditor agreement;

unless, in the reasonable judgment of the master servicer or the special servicer, as applicable, such modification, waiver or amendment (i) is reasonably likely to produce a greater (or equal) recovery to the certificateholders; and (ii) does not (a) cause the issuing entity to fail to qualify as one or more grantor trusts under the Code and (b) unless the underlying mortgage loan is in default or a default is reasonably foreseeable (including, for this purpose, if the master servicer or special servicer, as applicable, reasonably determines that a “significant risk of default” exists), constitute a “significant modification” of the underlying mortgage loan under section 1.1001-3 of the regulations promulgated by Treasury (“Treasury Regulations”) and the master servicer or the special servicer, as applicable, may obtain and be entitled to rely upon an opinion of counsel in connection with such determination.

Pursuant to the Pooling and Servicing Agreement, certificateholders representing a majority, by outstanding notional amount, of the class X-G1 and X-G2 certificates as applicable, will have the right, in their sole discretion, to direct the master servicer or the special servicer, as applicable, to waive any obligation of the related borrower to pay a Yield Maintenance Charge or Static Prepayment Premium, as applicable, in connection with any prepayment in full of any underlying mortgage loan in the related Loan Group.

Despite the limitations on modifications, waivers and amendments described above, but subject to the limitations described below and the terms of any related intercreditor agreement, the special servicer may (or, in some cases, may consent to a request by the master servicer to), in accordance with the Servicing Standard—

- reduce the amounts owing under any Specially Serviced Mortgage Loan by forgiving principal and/or, accrued interest and/or, subject to any direction of certificateholders representing a majority of the class X-G1 or X-G2 certificates, as applicable, any Yield Maintenance Charges or Static Prepayment Premiums;
- reduce the amount of the monthly payment on any Specially Serviced Mortgage Loan, including by way of a reduction in the related mortgage interest rate;
- forbear in the enforcement of any right granted under any mortgage note or mortgage relating to a Specially Serviced Mortgage Loan;
- extend the maturity of a Specially Serviced Mortgage Loan;
- permit the release or substitution of collateral for a Specially Serviced Mortgage Loan; and/or

- accept a principal prepayment during any lockout period;

*provided* that, in the reasonable judgment of the special servicer (and consistent with the Servicing Standard), such modification, waiver or amendment does not (i) cause the issuing entity to fail to qualify as one or more grantor trusts under the Code and (ii) unless the underlying mortgage loan is in default or a default is reasonably foreseeable (including, for this purpose, if the special servicer reasonably determines that a “significant risk of default” exists), constitute a “significant modification” of the underlying mortgage loan within the meaning of section 1.1001-3 of the Treasury Regulations and the special servicer may obtain and be entitled to rely upon an opinion of counsel in connection with such determination.

However, in no event will—

- the master servicer or the special servicer be permitted to extend the scheduled maturity date of any underlying mortgage loan if the interest rate on such underlying mortgage loan is less than the lower of (i) the interest rate in effect prior to such extension or (ii) the then prevailing interest rate for comparable mortgage loans;
- the master servicer be permitted to defer interest due on any underlying mortgage loan in excess of 5% of the Stated Principal Balance of such underlying mortgage loan; or
- any Third Party Master Servicer or any Third Party Special Servicer extend the scheduled maturity date of any underlying mortgage loan beyond July 1, 2023.

Neither the master servicer nor the special servicer may permit or modify an underlying mortgage loan that is not a Specially Serviced Mortgage Loan to permit a voluntary prepayment of a mortgage loan on any day other than its due date, unless: (i) the master servicer or the special servicer also collects interest on such underlying mortgage loan through the due date following the date of such prepayment; (ii) that prepayment is otherwise permitted under the related loan documents; (iii) that principal prepayment would not result in a Prepayment Interest Shortfall; (iv) that principal prepayment is accepted by the master servicer or the special servicer at the request of or with the consent of Freddie Mac, or if accepted by the master servicer, with the consent of the special servicer; or (v) it is consistent with the Servicing Standard to do so.

To the extent not inconsistent with the limitations to modifications and consents contained in the Pooling and Servicing Agreement, the master servicer or the special servicer, as applicable, may, consistent with the Servicing Standard, without the consent of any other party, (i) modify, waive or amend the terms of any underlying mortgage loan, in accordance with the Servicing Standard, in order to (a) cure any non-material ambiguity or mistake in the related loan documents, (b) correct or supplement any non-material provisions in any related loan documents which may be inconsistent with any other provisions in the related loan documents or correct any non-material error or (c) waive minor covenant defaults or (ii) effect other non-material waivers, consents, modifications or amendments in the ordinary course of servicing an underlying mortgage loan.

The special servicer or the master servicer, as applicable, will be required to notify the trustee and the certificate administrator among others, of any modification, waiver or amendment of any term of an underlying mortgage loan and must deliver to the custodian (with a copy to the master servicer) for deposit in the related mortgage file an original counterpart of the agreement related to such modification, waiver or amendment, promptly following the execution of any such modification, waiver or amendment (and, in any event, within 30 Business Days). Copies of each agreement whereby any such modification, waiver or amendment of any term of any underlying mortgage loan is effected are required to be available for review during normal business hours, upon prior request, at the offices of the master servicer or the special servicer, as applicable. However, no such notice will be required with respect to any waiver of Default Interest or late payment charges and any such waiver need not be in writing.

In connection with a borrower’s request received by the master servicer for the master servicer to take a Consent Action with respect to non-Specially Serviced Mortgage Loans that are (i) on the most recent CREFC® servicer watchlist and have a debt service coverage ratio less than 1.10x (calculated in accordance with the terms of the Pooling and Servicing Agreement) or (ii) with respect to which an event of default has occurred in the last 12 months, any Third Party Master Servicer will be required to obtain the consent of Freddie Mac prior to taking such Consent Actions and will be required to promptly forward its recommendation and analysis (together with any additional documents and information that Freddie Mac may reasonably request) to Freddie Mac.

The ability of the master servicer or the special servicer to agree to modify, waive or amend any of the terms of any underlying mortgage loan will be subject to the discussions under “—Realization Upon Mortgage Loans—Asset Status Report” below.

Notwithstanding anything to the contrary in the loan documents or the Servicing Standard and except with respect to Transfer Fees, Transfer Processing Fees, collateral substitution fees, late payment charges, Default Interest, charges for beneficiary statements or demands and amounts collected for checks returned for insufficient funds, the master servicer may not as a condition to granting any request by a borrower for consent, modification, waiver or indulgence or any other matter or thing pursuant to the terms of the related loan documents (including but not limited to any transaction, matter or request involving the full or partial condemnation of the related mortgaged real property or any borrower request for consent to subject the related mortgaged real property to an easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose, Permitted Transfers and/or permitted subordinate mortgage debt), require that such borrower pay to it, or otherwise accept, as additional servicing compensation or otherwise (i) any transfer, processing, transaction, review or similar fee, (ii) any fee for additional services performed in connection with such request, including expediting or similar fees or (iii) any related costs and expenses incurred by the master servicer, other than attorneys’ fees and costs and the fees and expenses of any third-party service and/or title insurance providers and, if applicable, any NRSRO.

The special servicer may, as a condition to granting any request by a borrower for consent, modification, waiver or indulgence or any other matter or thing the granting of which is within its discretion pursuant to the terms of the related loan documents and is permitted by the terms of the Pooling and Servicing Agreement, require that such borrower pay to it (i) as additional servicing compensation, a reasonable or customary fee for the additional services performed in connection with such request (provided that such fee does not constitute a “significant modification” of such underlying mortgage loan under Treasury Regulations section 1.1001-3) and (ii) any related costs and expenses incurred by it. In no event will the special servicer be entitled to payment of such fees or expenses unless such payment is collected from the related borrower.

### **Collection Account**

*General.* The master servicer will be required to establish and maintain a collection account for purposes of holding payments and other collections that it receives with respect to the underlying mortgage loans. Each collection account must be maintained in a manner and with a depository institution that meets the requirements of the Pooling and Servicing Agreement. The funds held in the collection account may be held as cash or invested in Permitted Investments. Subject to the limitations in the Pooling and Servicing Agreement, any interest or other income earned on funds in the collection account will be paid to the master servicer as additional compensation. See “—Servicing and Other Compensation and Payment of Expenses—Additional Servicing Compensation” above.

*Deposits.* The master servicer must deposit or cause to be deposited in its collection account on a daily basis in the case of payments from the borrowers and other collections on the underlying mortgage loans, or as otherwise required under the Pooling and Servicing Agreement, the following payments and collections received or made by or on behalf of the master servicer with respect to the underlying mortgage loans for which it is responsible, subsequent to the Closing Date —

- all principal payments collected, including principal prepayments;
- all interest payments collected, including late payment charges and Default Interest (net of master servicing fees, sub-servicing fees, master servicer surveillance fees, special servicing fees, special servicer surveillance fees, and in respect of late payment charges and Default Interest, net of amounts used to offset interest on any advances);
- any Static Prepayment Premiums and Yield Maintenance Charges;
- any proceeds received under any property damage, flood, title or other insurance policy that provides coverage with respect to a mortgaged real property or the related underlying mortgage loan, and all proceeds received in connection with the condemnation or the taking by right of eminent domain of a mortgaged real property, in each case to the extent not required to be applied to the restoration of the related mortgaged real property or released to the related borrower;

- any amounts received and retained in connection with the liquidation of Defaulted Loans by foreclosure, deed-in-lieu of foreclosure or as otherwise contemplated under “—Realization Upon Mortgage Loans” below, in each case to the extent not required to be returned to the related borrower;
- any amounts paid by the mortgage loan seller in connection with the repurchase or replacement of, or the curing of any breach of a representation and warranty with respect to, an underlying mortgage loan by that party as described under “Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions” in this information circular;
- any amounts paid to purchase or otherwise acquire all the underlying mortgage loans and any REO Properties in either Loan Group in connection with the retirement of the related Certificate Group as contemplated under “—Retirement” below;
- any amounts required to be deposited by the master servicer in connection with losses incurred with respect to Permitted Investments of funds held in its collection account;
- all payments required to be paid by the master servicer or received from the special servicer with respect to any deductible clause in any blanket property damage insurance policy or master lender placed property damage insurance policy, as described under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Property Damage, Liability and Other Insurance” in this information circular; and
- any amount transferred by the special servicer from its REO account with respect to the REO Properties.

Upon its receipt of any of the amounts described in the prior paragraph (other than in connection with a clean-up call) with respect to any Specially Serviced Mortgage Loan, the special servicer is required to remit those amounts within one Business Day to the master servicer for deposit in the collection account.

*Withdrawals.* The master servicer may make withdrawals from its collection account for any of the following purposes (to the extent that each of the following is to be paid from the collection account in accordance with the terms of the Pooling and Servicing Agreement), which are not listed in any order of priority:

1. to remit to the certificate administrator for deposit in the distribution accounts, as described under “Description of the Certificates—Distribution Account” in this information circular, on the Remittance Date, all payments and other collections on the underlying mortgage loans and any REO Properties that are then on deposit in the collection accounts, exclusive of any portion of those payments and other collections that represents one or more of the following—
  - (i) monthly debt service payments due on a due date subsequent to the end of the related Collection Period;
  - (ii) payments and other collections received by or on behalf of the issuing entity after the end of the related Collection Period; and
  - (iii) amounts that are payable or reimbursable from the collection account to any person other than the certificateholders in accordance with any of clauses 2 through 21 below;
2. to reimburse itself or the trustee, as applicable, for any unreimbursed advances made by that party with respect to the mortgage pool, as described under “—Servicing and Other Compensation and Payment of Expenses” above and “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, with that reimbursement to be made out of collections on the underlying mortgage loan or REO Property as to which the advance was made;
3. to pay (i) itself and/or any sub-servicer, as applicable, any accrued and unpaid master servicing fees, sub-servicing fees or master servicer surveillance fees with respect to each underlying mortgage loan and (ii) the special servicer accrued and unpaid special servicer surveillance fees, with the payments under clause (i) or clause (ii) to be made out of collections on that underlying mortgage loan or REO Loan, as applicable, that represent payments of interest;

4. to pay itself any sub-servicer and/or the special servicer, as applicable, any master servicing fees, sub-servicing fees, master servicer surveillance fees or special servicer surveillance fees with respect to each underlying mortgage loan or REO Loan, that remain unpaid in accordance with clause 3 above following a final recovery determination made with respect to such underlying mortgage loan or the related REO Property and the deposit into the collection account of all amounts received in connection with such final recovery determination;
5. to pay the special servicer, out of general collections from the applicable Loan Group, accrued and unpaid special servicing fees with respect to each underlying mortgage loan in the related Loan Group that is either a Specially Serviced Mortgage Loan or an REO Loan;
6. to pay the special servicer accrued and unpaid workout fees and liquidation fees to which it is entitled, with that payment to be made from the sources described under “—Servicing and Other Compensation and Payment of Expenses” above;
7. to reimburse itself or the trustee, as applicable, out of general collections from the applicable Loan Group, for any unreimbursed advance made by that party with respect to such Loan Group as described under “—Servicing and Other Compensation and Payment of Expenses” above and “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, which advance has been determined not to be ultimately recoverable under clause 2 above (or, if the subject underlying mortgage loan has been worked out and returned to performing status, is not recoverable under clause 2 above by the time it is returned to performing status) out of collections on the related underlying mortgage loan or REO Property; *provided* that any such reimbursement is required to be made as and to the extent described under “—Servicing and Other Compensation and Payment of Expenses” above, in the case of a Servicing Advance, or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, in the case of a P&I Advance;
8. to pay itself or the trustee, as applicable, out of general collections on the related Loan Group unpaid interest accrued on any advance made by that party with respect to the related Loan Group (generally at or about the time of reimbursement of that advance); *provided* that, in the case of any advance reimbursed as described in clause 7 above, the payment of any interest on such advance is to be made as and to the extent described under “—Servicing and Other Compensation and Payment of Expenses” above, in the case of interest on any such advance that is a Servicing Advance, or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular, in the case of interest on any such advance that is a P&I Advance;
9. to pay itself or the special servicer, as applicable, any items of additional servicing compensation on deposit in the collection account as discussed under “—Servicing and Other Compensation and Payment of Expenses—Additional Servicing Compensation” above;
10. to pay any unpaid liquidation expenses incurred with respect to any liquidated underlying mortgage loan or REO Property in the issuing entity;
11. to pay, out of general collections on the related Loan Group, any servicing expenses that would, if advanced, be nonrecoverable under clause 2 above;
12. to pay, out of general collections on the related Loan Group, for costs and expenses incurred by the issuing entity due to actions taken pursuant to any environmental assessment, in accordance with the Pooling and Servicing Agreement;
13. to pay Freddie Mac (in its capacity as servicing consultant), itself (and certain indemnified sub-servicers), the special servicer, the trustee, the certificate administrator, the depositor or any of their or our respective affiliates, directors, general or limited partners, members, managers, shareholders, officers, employees, controlling persons and agents, as the case may be, out of general collections on the related Loan Group, any of the reimbursements or indemnities to which we or any of those other persons or entities are entitled, subject to the relevant Aggregate Annual Cap, as described under “—Certain Indemnities” below;

14. to pay, out of general collections on the related Loan Group, for (i) the costs of various opinions of counsel related to the servicing and administration of underlying mortgage loans not paid by the related borrower; and (ii) expenses properly incurred by the trustee or the certificate administrator in connection with providing tax-related advice to the special servicer;
15. to reimburse any Third Party Master Servicer, any Third Party Special Servicer, the depositor, the trustee or the certificate administrator, as the case may be, for any unreimbursed expenses reasonably incurred in respect of any material breach of a representation or warranty or a material document defect in respect of an underlying mortgage loan giving rise to a repurchase obligation of the mortgage loan seller or other party, or the enforcement of such obligation, under the mortgage loan purchase agreement;
16. to pay for the cost of the opinions of counsel for purposes of grantor trust administration or amending the Pooling and Servicing Agreement;
17. to pay, out of general collections for any and all U.S. federal, state and local taxes imposed on either of the grantor trusts or their assets or transactions together with incidental expenses;
18. to pay to the mortgage loan seller any amounts that represent monthly debt service payments due on the underlying mortgage loans on or prior to the Cut-off Date or, in the case of a replacement mortgage loan, during or before the month in which that loan was added to the issuing entity;
19. to withdraw amounts deposited in the collection account in error, including amounts received on any underlying mortgage loan or REO Property that has been purchased or otherwise removed from the issuing entity;
20. to pay any other items described in this information circular as being payable from a collection account; and
21. to clear and terminate the collection account upon the termination of the Pooling and Servicing Agreement.

The master servicer will be required to keep and maintain separate accounting records, on a loan by loan and property by property basis, for the purpose of justifying any withdrawal from the collection account.

### **Realization Upon Mortgage Loans**

*Purchase Option.* The Pooling and Servicing Agreement grants Freddie Mac, and with respect to Defaulted Loans for which the related Junior Loan Holder holds a lower priority lien, the related Junior Loan Holder, an assignable option (a “Purchase Option”) to purchase Defaulted Loans from the issuing entity in the manner and at the price described below.

Each of Freddie Mac and the related Junior Loan Holder may assign its Purchase Option to any person.

Promptly after the determination that an underlying mortgage loan has become a Defaulted Loan, the master servicer (if the underlying mortgage loan is not a Specially Serviced Mortgage Loan) or the special servicer (if the underlying mortgage loan is a Specially Serviced Mortgage Loan) will be required to notify the trustee, the certificate administrator, the master servicer or the special servicer, as applicable, Freddie Mac (if Freddie Mac is not then acting as master servicer or special servicer, as applicable) and any related Junior Loan Holder of such determination. Subject to (i) the Junior Loan Holder’s right with respect to a Defaulted Loan and (ii) the bidding procedures for defaulted crossed underlying mortgage loans (as defined below), Freddie Mac will then have the right to exercise its Purchase Option at a cash price equal to the Option Purchase Price until such right automatically terminates (a) upon the Defaulted Loan becoming a Corrected Mortgage Loan or an REO Loan, (b) upon the modification, waiver or payoff (full, partial or discounted) of the Defaulted Loan in connection with a workout or (c) with respect to a Defaulted Loan, upon purchase of such Defaulted Loan by the Junior Loan Holder pursuant to the Pooling and Servicing Agreement and the related intercreditor agreement.

However, if an underlying mortgage loan becomes a Defaulted Loan under clause (b) of the definition of Defaulted Loan, but a Servicing Transfer Event has not occurred with respect to such underlying mortgage loan due to the exception set forth in the first bullet point under the definition of Servicing Transfer Event, then the special servicer will have no duty to obtain the appraisal for such underlying mortgage loan unless and until a Servicing Transfer Event has occurred under the first bullet point under the definition of Servicing Transfer Event with respect to such underlying mortgage loan. Further, no Purchase Option will exist with respect to such underlying mortgage loan that became a Defaulted Loan based on clause (b) of the definition thereof unless and until a Servicing Transfer Event has occurred under the first bullet point under the definition of Servicing Transfer Event with respect to such underlying mortgage loan.

Subject to the next paragraph in the case of a Defaulted Loan that is a Defaulted Crossed Loan, any Defaulted Loan for which the related Junior Loan Holder is the holder of a subordinate priority lien, the related Junior Loan Holder will have the first option to purchase that Defaulted Loan for the Purchase Price.

If any Crossed Loan becomes both a Defaulted Loan and a Servicing Transferred Crossed Loan (a “Defaulted Crossed Loan”) and is subject to the Junior Loan Holder’s purchase option, all related crossed underlying mortgage loans will be deemed to be subject to the Junior Loan Holder’s purchase option (*provided*, that any related crossed underlying mortgage loans that is not a Defaulted Crossed Loan will not be deemed to be a Specially Serviced Mortgage Loan or a Defaulted Loan for any other purpose under the Pooling and Servicing Agreement other than this Defaulted Crossed Loan purchase option), and any Junior Loan Holder will be required to follow the following bidding procedures:

- (i) Such Junior Loan Holder will have the first option to purchase, by giving notice to the special servicer, the trustee, the certificate administrator, the master servicer and Freddie Mac (if Freddie Mac is not acting as the Master Servicer), (a) the Defaulted Crossed Loan and all related crossed underlying mortgage loans at the aggregate of their Purchase Prices or (b) only the Defaulted Crossed Loan at the Purchase Price.
- (ii) Despite clause (i) above, if any Junior Loan Holder, or any of their respective managing members or affiliates, is a borrower or an affiliate of a borrower of the Defaulted Crossed Loan or any crossed underlying mortgage loans related to such Defaulted Crossed Loan, such Junior Loan Holder will only be permitted to purchase the crossed underlying mortgage loans and all related crossed underlying mortgage loans at the aggregate of their Purchase Prices (and will not be permitted to purchase only the Defaulted Crossed Loan).

A Defaulted Loan may not be purchased in the manner described above while any underlying mortgage loan that is cross-collateralized or cross-defaulted with such Defaulted Loan remains in the issuing entity unless the special servicer modifies, upon such purchase, the related loan documents in a manner whereby (i) such Defaulted Loan would no longer be cross-collateralized or cross-defaulted with any underlying mortgage loan that remains in the issuing entity, (ii) all underlying mortgage loans that are cross-defaulted with such Defaulted Loan that remain in the issuing entity, if any, will continue to be cross-defaulted with one another and (iii) all underlying mortgage loans that are cross-collateralized with such Defaulted Loan that remain in the issuing entity, if any, will continue to be cross-collateralized with one another. Notwithstanding the terms of the related cross-collateralization agreement, no release premium will be payable by the Junior Loan Holder in connection with any such purchase of only a Defaulted Loan. Any expense incurred by the special servicer in connection with the modification of the cross-collateralization or cross-default provisions in any loan documents in connection with the purchase by the Junior Loan Holder of a Defaulted Loan from the issuing entity will be paid by the related borrower pursuant to, or if prohibited by the loan documents and, to the extent prohibited by or not payable pursuant to such loan documents, will be deemed to be a Servicing Advance.

Subject to the discussion above and the last paragraph of this section “—Purchase Option,” each holder of a Purchase Option may, at its option, purchase the subject Defaulted Loan from the issuing entity at a price (the “Option Purchase Price”) equal to the Purchase Price.

Unless and until the Purchase Option with respect to a Defaulted Loan is exercised, the special servicer will be required to pursue such other resolution strategies available under the Pooling and Servicing Agreement, including workout and foreclosure, consistent with the Servicing Standard, but it will not be permitted to sell the Defaulted

Loan other than pursuant to the exercise of the Purchase Option or in accordance with any applicable intercreditor or co-lender agreement.

If not exercised sooner, the Purchase Option with respect to any Defaulted Loan will automatically terminate upon—

- the cure by the related borrower or a party with cure rights of all defaults that caused the subject underlying mortgage loan to be a Defaulted Loan;
- the acquisition on behalf of the issuing entity of title to the related mortgaged real property by foreclosure or deed-in-lieu of foreclosure; or
- the modification, waiver or payoff (full, partial or discounted) of the Defaulted Loan in connection with a workout.

*Foreclosure and Similar Proceedings.* Pursuant to the Pooling and Servicing Agreement, if an event of default on an underlying mortgage loan has occurred and is continuing, the special servicer, on behalf of the issuing entity, may at any time institute foreclosure proceedings, exercise any power of sale contained in the related mortgage or otherwise acquire title to the related mortgaged real property. The special servicer may not, however, acquire title to any mortgaged real property or take any other action with respect to any mortgaged real property that would cause the trustee, for the benefit of the certificateholders or any other specified person to be considered to hold title to, to be a “mortgagee-in-possession” of or to be an “owner” or an “operator” of such mortgaged real property within the meaning of certain federal environmental laws, unless the special servicer has previously received a report prepared by a person who regularly conducts environmental audits (the cost of which report will be a Servicing Advance) and either—

- such report indicates that (i) the mortgaged real property is in compliance with applicable environmental laws and regulations and (ii) there are no circumstances or conditions present at the mortgaged real property for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any applicable environmental laws and regulations; or
- the special servicer, based solely (as to environmental matters and related costs) on the information set forth in such report, determines that taking such actions as are necessary to bring the mortgaged real property into compliance with applicable environmental laws and regulations and/or taking the actions contemplated by clause (ii) of the preceding bullet point, is reasonably likely to increase the net proceeds of the liquidation of such mortgaged real property, than not taking such actions.

A borrower’s failure to make required mortgage loan payments may mean that operating income from the mortgaged real property is insufficient to service the mortgage debt, or may reflect the diversion of that income from the servicing of the mortgage debt. In addition, a borrower that is unable to make mortgage loan payments may also be unable to make timely payments of taxes or otherwise to maintain and insure the mortgaged real property. In general, the special servicer will be required to monitor any Specially Serviced Mortgage Loan serviced by it, evaluate whether the causes of the default can be corrected over a reasonable period without significant impairment of the value of the mortgaged real property, initiate corrective action in cooperation with the borrower if cure is likely, inspect the mortgaged real property and take such other actions as it deems necessary and appropriate. A significant period of time may elapse before the special servicer is able to assess the success of any such corrective action or the need for additional initiatives. The time within which the special servicer can make the initial determination of appropriate action, evaluate the success of corrective action, develop additional initiatives, institute foreclosure proceedings and actually foreclose, or accept a deed to a mortgaged real property in lieu of foreclosure, on behalf of the certificateholders may vary considerably depending on the particular circumstances with respect to the related underlying mortgage loan, the mortgaged real property, the borrower, the presence of an acceptable party to assume the underlying mortgage loan and the laws of the jurisdiction in which the mortgaged real property is located. If a borrower files a bankruptcy petition, the special servicer may not be permitted to accelerate the maturity of the Defaulted Loan or to foreclose on the related mortgaged real property for a considerable period of time and may be required by the court to materially extend the term of the loan paid to the final maturity date, lower significantly the related interest rate and/or reduce the principal balance of the loan.

*REO Properties.* If title to any mortgaged real property is acquired by the special servicer on behalf of the issuing entity, the special servicer will be required to sell that property as expeditiously as appropriate with a view to the preservation of the capital of the issuing entity and not the maximization of profit.

The special servicer will be required to use reasonable efforts to solicit cash offers for any REO Property held in the issuing entity in a manner that will be reasonably likely to realize a fair price for the property within the time periods contemplated by the prior paragraph. Such solicitation will be required to be made in a commercially reasonable manner. The special servicer will be required to accept the highest cash offer received from any entity for such REO Property in an amount at least equal to the Purchase Price for such REO Property. In the absence of any such offer, the special servicer will be required to accept the highest cash offer received from any entity that is determined by the special servicer to be a fair price for such REO Property and whose offer the special servicer reasonably determines is likely to lead to an actual sale and is in compliance with applicable law. If the special servicer reasonably believes that it will be unable to realize a fair price for such REO Property within the time constraints imposed by the prior paragraph, then the special servicer will be required to dispose of such REO Property upon such terms and conditions as the special servicer deems necessary and desirable to maximize the recovery on such REO Property under the circumstances, and will be required to accept the highest outstanding cash offer from any entity that is determined by the special servicer to be a fair price for such REO Property and whose offer the special servicer reasonably determines is likely to lead to an actual sale and is in compliance with applicable law. If the special servicer determines that the offers being made with respect to such REO Property are not in the best interests of the holders of certificates taken as a collective whole, in the related Certificate Group, and that the end of the period referred to in the prior paragraph with respect to such REO Property is approaching, the special servicer will be required to seek an extension of such period in the manner described in the prior paragraph.

Whether any cash offer constitutes a fair price for any REO Property will be determined by the special servicer, if the highest offeror is a person other than the special servicer or an affiliate of the special servicer, and by the trustee, if the highest offeror is the special servicer or an affiliate of the special servicer. In determining whether any offer received from the special servicer or an affiliate of the special servicer represents a fair price for any REO Property, the trustee will be required to obtain, and may conclusively rely on, the opinion of an appraiser (the fees and costs of which will be required to be covered by a servicing advance by the master servicer) retained by the trustee. In determining whether any offer constitutes a fair price for any REO Property, the trustee will be required to request that such appraiser take into account, as applicable, among other factors, the occupancy level and physical condition of the REO Property, the state of the local economy and the obligation to dispose of any REO Property within the time period specified in the second preceding paragraph. The Purchase Price for any REO Property will in all cases be deemed a fair price.

*REO Account.* The special servicer will be required to segregate and hold all funds collected and received in connection with any REO Property held by the issuing entity separate and apart from its own funds and general assets. If an REO Property is acquired by the issuing entity, the special servicer will be required to establish and maintain an account for the retention of revenues and other proceeds derived from that REO Property. That REO account must be maintained in a manner and with a depository institution that meets the requirements of the Pooling and Servicing Agreement. The special servicer will be required to deposit, or cause to be deposited, in its REO account, within one Business Day following receipt, all net income, insurance proceeds, condemnation proceeds and Liquidation Proceeds received with respect to each REO Property held by the issuing entity. The funds held in this REO account may be held as cash or invested in Permitted Investments. Any interest or other income earned on funds in the special servicer's REO account will be payable to the special servicer, subject to the limitations described in the Pooling and Servicing Agreement. See “—Servicing and Other Compensation and Payment of Expenses—Additional Servicing Compensation” above.

The special servicer will be permitted to withdraw from its REO account funds necessary for the proper operation, management, leasing, maintenance and disposition of any REO Property in the related Loan Group administered by it, but only to the extent of amounts on deposit in the account relating to that particular REO Property. Promptly following the end of each Collection Period, the special servicer will be required to withdraw from its REO account and deposit, or deliver to the master servicer for deposit, into the collection account the total of all amounts received in respect of each REO Property administered by it during that Collection Period, net of:

- any withdrawals made out of those amounts, as described in the preceding sentence; and

- any portion of those amounts that may be retained as reserves, as described in the next paragraph.

The special servicer may, subject to the limitations described in the Pooling and Servicing Agreement, retain in its REO account in accordance with the Servicing Standard such portion of the proceeds and collections on any REO Property administered by it as may be necessary to maintain a reserve of sufficient funds for the proper operation, management, leasing, maintenance and disposition of that property, including the creation of a reasonable reserve for repairs, replacements, necessary capital improvements and other related expenses.

The special servicer will be required to keep and maintain separate records, on a loan-by-loan and a property-by-property basis, for the purpose of accounting for all deposits to, and withdrawals from, its REO account.

*Liquidation Proceeds.* To the extent that Liquidation Proceeds collected with respect to any underlying mortgage loan are less than the sum of—

- the outstanding principal balance of that underlying mortgage loan,
- interest (other than Default Interest) accrued on that underlying mortgage loan,
- interest accrued on any P&I Advance made with respect to that underlying mortgage loan,
- the aggregate amount of outstanding reimbursable expenses (including any unreimbursed Servicing Advances and unpaid and accrued interest on such advances) incurred with respect to that underlying mortgage loan, and
- any and all servicing compensation and trustee fees and certificate administrator fees due and payable with respect to that underlying mortgage loan,

then the related Loan Group Certificates will realize a loss in the amount of such shortfall (although such shortfalls with respect to the offered certificates will be covered under the Freddie Mac Guarantee).

The trustee, the certificate administrator, the master servicer and/or the special servicer will be entitled to reimbursement out of the Liquidation Proceeds recovered on an underlying mortgage loan, prior to the distribution of such Liquidation Proceeds to certificateholders, of any and all amounts that represent unpaid servicing compensation, certificate administrator fees or trustee fees in respect of that underlying mortgage loan, certain unreimbursed expenses incurred with respect to that underlying mortgage loan and any unreimbursed advances made with respect to that underlying mortgage loan. In addition, amounts otherwise distributable on the certificates will be further reduced by interest payable to the master servicer or the trustee, as applicable, on any such advances.

If any mortgaged real property suffers damage such that the proceeds, if any, of the related property damage insurance policies or flood insurance are insufficient to restore fully the damaged property, the master servicer will not be required to make Servicing Advances to effect such restoration unless—

- the special servicer determines that such restoration will increase the proceeds to the holders of certificates (as a collective whole) in the related Loan Group on liquidation of the underlying mortgage loan after reimbursement of the master servicer for its expenses; and
- the master servicer determines that such expenses will be recoverable by it from related Liquidation Proceeds.

*Specially Serviced Mortgage Loans.* With respect to any underlying mortgage loan as to which a Servicing Transfer Event has occurred, the master servicer will transfer its servicing responsibilities to the special servicer, but will continue to receive payments on such underlying mortgage loan (including amounts collected by the special servicer), to make certain calculations with respect to such underlying mortgage loan and to make remittances and prepare and deliver certain reports to the certificate administrator with respect to such underlying mortgage loan.

The special servicer will continue to be responsible for the operation and management of an REO Property. The master servicer will have no responsibility for the performance by the special servicer of its duties under the Pooling and Servicing Agreement.

The special servicer will return the full servicing of a Specially Serviced Mortgage Loan to the master servicer when all Servicing Transfer Events with respect to that underlying mortgage loan have ceased to exist and that underlying mortgage loan has become a Corrected Mortgage Loan.

*Asset Status Report.* Following a Servicing Transfer Event, Freddie Mac, in its capacity as special servicer, may take any action with respect to a Specially Serviced Loan that is consistent with the Servicing Standard and no Asset Status Report is required to be prepared by Freddie Mac, in its capacity as special servicer. Any Third Party Special Servicer is required to prepare and deliver a report to the master servicer and Freddie Mac (if Freddie Mac is not then acting as the master servicer) (the “Asset Status Report”) with respect to any underlying mortgage loan that becomes a Specially Serviced Mortgage Loan within 60 days of such Third Party Special Servicer’s receipt of the information it reasonably requires after a Servicing Transfer Event.

Any Asset Status Report prepared by any Third Party Special Servicer will set forth the following information, to the extent reasonably determinable:

- a summary of the status of the Specially Serviced Mortgage Loan;
- a discussion of the legal and environmental considerations reasonably known to the Third Party Special Servicer, consistent with the Servicing Standard, that are applicable to the exercise of remedies and whether outside legal counsel has been retained;
- a current rent roll and income or operating statement available for the related mortgaged real property;
- the appraised value of the mortgaged real property, together with the assumptions used in the calculation if the appraisal is less than 12 months old;
- a recommendation by the Third Party Special Servicer as to how the Specially Serviced Mortgage Loan might be returned to performing status, returned to the master servicer for regular servicing or otherwise realized upon;
- a summary of any proposed actions and a discussion of whether or not taking such action is reasonably likely to produce a greater recovery on a present value basis than not taking such action;
- a status report on any foreclosure actions or other proceedings undertaken with respect to the related mortgaged real property, any proposed workouts with respect to the Specially Serviced Mortgage Loan and the status of any negotiations with respect to those workouts and an assessment of the likelihood of additional events of default on such underlying mortgage loan; and
- such other information as the Third Party Special Servicer deems relevant in light of the Servicing Standard.

Upon receipt of Freddie Mac’s written approval, the Third Party Special Servicer is required to implement the recommended action as outlined in such Asset Status Report. If Freddie Mac disapproves such Asset Status Report, the Third Party Special Servicer is required to revise and deliver a new Asset Status Report within 30 days after such disapproval. The Third Party Special Servicer must continue to revise that Asset Status Report until either (a) Freddie Mac approves such revised Asset Status Report, (b) the Third Party Special Servicer determines that an extraordinary event has occurred with respect to the related mortgage real property as described below or (c) the passage of 60 days from the date of preparation of the first Asset Status Report. The Third Party Special Servicer will be required to deliver the finalized Asset Status Report to Freddie Mac, the master servicer (if Freddie Mac is not then acting as the master servicer), the certificate administrator and the trustee. However, the Third Party Special Servicer may, following the occurrence of an extraordinary event with respect to the related mortgaged real property, take any action set forth in such Asset Status Report before the expiration of a ten-business day approval period if such Third Party Special Servicer has reasonably determined that failure to take such action would materially and adversely affect the interests of the certificateholders.

Any Third Party Special Servicer in its capacity as special servicer may not take any action inconsistent with an Asset Status Report, unless that action would be required in order to act in accordance with the Servicing Standard. The Third Party Special Servicer may, from time to time, modify any Asset Status Report it has previously delivered and implement that report, *provided* that the revised report has been prepared, reviewed and not rejected pursuant to the terms described above.

In addition to the foregoing, any Third Party Special Servicer is required to, subject to the Servicing Standard and the terms of the Pooling and Servicing Agreement, obtain the consent of Freddie Mac and respond to any reasonable request for information from Freddie Mac prior to the taking by the Third Party Special Servicer of the following actions (the “Consent Actions”—

- any proposed or actual foreclosure upon or comparable conversion of (which may include acquisitions of an REO Property) the ownership of the property or properties securing any Specially Serviced Mortgage Loans as come into and continue in default;
- any modification, amendment or waiver of a monetary term (including any change in the timing of payments but excluding the waiver of Default Interest and late payment charges), any material non-monetary term or any waiver of a due-on-sale or due-on-encumbrance clause of a Specially Serviced Mortgage Loan (other than any easement, right of way or similar agreement);
- any acceptance of a discounted payoff with respect to a Specially Serviced Mortgage Loan;
- any proposed or actual sale of an REO Property out of the issuing entity for less than the outstanding principal balance of, and accrued interest (other than Default Interest) on, the related underlying mortgage loan, except in connection with a retirement of the related Certificate Group as described under “—Retirement” below;
- any determination to bring an REO Property held by the issuing entity into compliance with applicable environmental laws or to otherwise address hazardous material located at the REO Property;
- any release of real property collateral for a Specially Serviced Mortgage Loan, other than in accordance with the specific terms of, or upon satisfaction of, that underlying mortgage loan;
- any acceptance of substitute or additional real property collateral for an underlying mortgage loan, other than in accordance with the specific terms of that Specially Serviced Mortgage Loan;
- any approval of releases of earn-out reserves or related letters of credit with respect to a mortgaged real property securing a Specially Serviced Mortgage Loan other than in accordance with the specific terms of that Specially Serviced Mortgage Loan;
- the release of any reserves in excess of the threshold set forth in the Pooling and Servicing Agreement; and
- any approval of a replacement property manager, other than in connection with any pre-approved servicing request with respect to a Specially Serviced Mortgage Loan set forth in the Pooling and Servicing Agreement.

However, no direction of Freddie Mac, and no failure to consent to any action requiring the consent of Freddie Mac under the Pooling and Servicing Agreement, may require or cause the master servicer or the special servicer to violate the terms of the subject Specially Serviced Mortgage Loan, applicable law or any provision of the Pooling and Servicing Agreement or any related intercreditor agreement; (ii) expose the master servicer, the special servicer, the trustee, the certificate administrator, the custodian, the depositor, Freddie Mac, the issuing entity or any of various other parties to any claim, suit or liability or (iii) materially expand the scope of the special servicer’s or the master servicer’s responsibilities under the Pooling and Servicing Agreement. The master servicer or the special servicer, as the case may be, will not (x) follow any such direction of Freddie Mac, (y) initiate any such actions having any of the effects set out above, or (z) take or refrain from taking any action, based on its failure to obtain the consent of Freddie Mac, if the failure to take such action if following such directions, taking such action or refraining from taking such action would violate the Servicing Standard.

### **Inspections; Collection of Operating Information**

The special servicer will be required, at the expense of the issuing entity, to physically inspect or cause a physical inspection of the related mortgaged real property as soon as practicable after any underlying mortgage loan becomes a Specially Serviced Mortgage Loan and annually thereafter for so long as that underlying mortgage loan remains a Specially Serviced Mortgage Loan. The master servicer will be required, at its own expense, to physically inspect or cause a physical inspection of each mortgaged real property securing an underlying mortgage loan for which it acts as master servicer at least once per 12-month period or, in the case of each underlying mortgage loan

with an outstanding principal balance (or allocated loan amount) less than \$2,000,000, once every 24-month period, if the special servicer has not already done so in that period as contemplated by the preceding sentence. For each underlying mortgage loan, such 12-month period or 24-month period, as applicable, will begin on such date as is consistent with the Guide. The master servicer and the special servicer will be required to prepare or cause the preparation of a written report of each inspection performed by it that generally describes the condition of the particular mortgaged real property and, upon request, deliver such written report in electronic format to (i) the certificate administrator and (ii) the master servicer (if such written report was prepared by the special servicer).

Most of the loan documents obligate the related borrower to deliver quarterly, and substantially all loan documents require annual, property operating statements. However, we cannot assure you that any operating statements required to be delivered will in fact be delivered, nor is the special servicer or the master servicer likely to have any practical means of compelling such delivery in the case of an otherwise performing mortgage loan.

## **Servicer Reports**

As set forth in the Pooling and Servicing Agreement, on a date preceding the applicable distribution date, the master servicer is required to deliver to the certificate administrator and Freddie Mac (to the extent Freddie Mac is not then acting as the master servicer) a servicer remittance report setting forth the information necessary for the certificate administrator to make the distributions set forth under “Description of the Certificates—Distributions” in this information circular and containing the information to be included in the distribution report for that distribution date delivered by the certificate administrator as described under “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this information circular.

## **Evidence as to Compliance**

No later than the date specified below of each year, commencing in 2018, each of the master servicer and the special servicer must deliver or cause to be delivered to each of the master servicer or special servicer (as applicable), the trustee, the certificate administrator and Freddie Mac (if Freddie Mac is not then acting as master servicer or special servicer, among others:

- by March 15th of each year, a statement of compliance signed by an officer of the master servicer or the special servicer, as the case may be, to the effect that, among other things, (i) a review of the activities of the master servicer or the special servicer, as the case may be, during the preceding calendar year—or, in the case of the first such certification, during the period from the Closing Date through December 31, 2017 inclusive—and of its performance under the Pooling and Servicing Agreement, has been made under such officer’s supervision, (ii) to the best of such officer’s knowledge, based on such review, the master servicer or the special servicer, as the case may be, has fulfilled its obligations under the Pooling and Servicing Agreement in all material respects throughout the preceding calendar year or the portion of that year during which the certificates were outstanding (or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status of each such failure); (iii) that the master servicer or the special servicer, as the case may be, has maintained an effective internal control system over the servicing of mortgage loans, including the underlying mortgage loans; (iv) whether the master servicer or the special servicer has received any notice regarding qualification of or challenge to the status of either the grantor trusts as a “grantor trust” from the IRS or any other governmental agency or body; and (v) in the case of the master servicer only, to the best of such officer’s knowledge, each sub-servicer, if any, has fulfilled its obligations under its Sub-Servicing Agreement in all material respects (or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status of each such failure and proposed actions with respect to the default); provided, however, that the master servicer will be entitled to conclusively rely on a review of the activities of such sub-servicer conducted by Freddie Mac, so long as the master servicer does not have any actual knowledge of such sub-servicer’s material non-fulfillment or material default (Freddie Mac will provide the master servicer access to such sub-servicer reviews by March 1 of each year beginning with March 1, 2018), and
- as to each annual statement of compliance delivered by the master servicer or the special servicer, as the case may be, as described in the preceding bullet point, by April 15th of each year, an accountant’s statement from a registered public accounting firm to the effect that the asserting party complied with the

minimum servicing standards identified in (i) Item 1122 of Regulation AB, or (ii) the Uniform Single Attestation Program for Mortgage Bankers. For purposes of determining compliance with the minimum standards identified in clauses (i) or (ii) above, the master servicer and its accountants will be entitled to rely on the sub-servicer reviews delivered by Freddie Mac pursuant to the preceding bullet point, subject to the limitations set forth in the preceding bullet point.

So long as Freddie Mac is acting as the master servicer, the master servicer will not be required to provide the certification and statement described above to Freddie Mac. As long as one party is performing the duties of both the master servicer and the special servicer, that party will be required to deliver only one report, certificate or statement satisfying the requirements listed immediately above. Copies of such statement will be provided to any certificateholder, upon written request of any certificateholder, by the certificate administrator.

### **Events of Default**

Each of the following events, circumstances and conditions will be considered events of default with respect to the master servicer or the special servicer under the Pooling and Servicing Agreement:

1. any failure by the master servicer to make (i) any required deposit into its collection account or any other account created under the Pooling and Servicing Agreement, which failure continues unremedied for two Business Days, or any required remittance to the certificate administrator for deposit in the distribution accounts by the time required under the Pooling and Servicing Agreement on the Business Day prior to the related distribution date, which failure continues unremedied until 11:00 a.m. (New York City time) on the related distribution date; or (ii) any required Servicing Advance within the time specified in the Pooling and Servicing Agreement, which failure remains uncured for 15 days (or such shorter time as is necessary to avoid the lapse of any required insurance policy for any mortgaged real property or the foreclosure of any tax lien on the related mortgaged real property);
2. any failure by the special servicer to deposit into the REO account, or to remit to the master servicer for deposit in the collection account, any such deposit or remittance required to be made by the special servicer, when so required under the Pooling and Servicing Agreement, which failure continues unremedied for two Business Days;
3. any failure by the master servicer or the special servicer duly to observe or perform in any material respect any of its other covenants or obligations under the Pooling and Servicing Agreement, which failure continues unremedied for 30 days (15 days in the case of a failure to pay the premium for any required insurance policy for any mortgaged real property) after written notice of such failure has been given to the master servicer or the special servicer, as the case may be, by any other party to the Pooling and Servicing Agreement, or to the master servicer or the special servicer, as applicable, the depositor and the trustee (with a copy to the certificate administrator) by Freddie Mac; *provided, however,* if such failure (other than a failure to pay insurance policy premiums for any mortgaged real property) is not capable of being cured within such 30-day period and the master servicer or the special servicer, as applicable, is diligently pursuing such cure, then such 30-day period will be extended for an additional 30 days;
4. any breach by the master servicer or the special servicer of a representation or warranty contained in the Pooling and Servicing Agreement that materially and adversely affects the interests of the certificateholders and continues unremedied for 30 days after the date on which notice of such breach is given to the master servicer or the special servicer, as the case may be, by any other party to the Pooling and Servicing Agreement, or to the master servicer or the special servicer, as applicable, the depositor and the trustee (with a copy to the certificate administrator) by Freddie Mac; *provided, however,* if such breach is not capable of being cured within such 30-day period and the master servicer or the special servicer, as applicable, is diligently pursuing such cure, then such 30-day period will be extended for an additional 30 days;
5. certain events of insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings in respect of or relating to the master servicer or the special servicer, as applicable, and certain actions by or on behalf of the master servicer or the special servicer, as applicable indicating its insolvency or inability to pay its obligations and such decree or order remains in force for 60 days; *provided,* that the

current appointment of the FHFA as Freddie Mac's Conservator will not constitute an event of default with respect to Freddie Mac;

6. a consent by the master servicer or the special servicer to the appointment of a conservator, receiver, liquidator, trustee or similar official in any bankruptcy, insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to such master servicer or special servicer or relating to all or substantially all of its property; *provided*, that the current appointment of FHFA as Freddie Mac's conservator will not constitute an event of default with respect to Freddie Mac;
7. an admission by the master servicer or the special servicer in writing of its inability to pay its debts generally as they become due, the filing of a petition to take advantage of any applicable bankruptcy, insolvency or reorganization statute, the making of an assignment for the benefit of its creditors, the voluntary suspension of payment of its obligations or the taking of any corporate action in furtherance of the foregoing;
8. a Ratings Trigger Event occurs with respect to any Third Party Master Servicer or any Third Party Special Servicer; or
9. failure of any Third Party Master Servicer to provide the certificate administrator with certain periodic information pertaining to the underlying mortgage loans as required under the Pooling and Servicing Agreement more than three times in a rolling 12-month period within one Business Day of the date on which the relevant report is due, unless such failure is due to force majeure or an act of God or such failure is waived by Freddie Mac; *provided* that Freddie Mac is not permitted to grant more than one waiver in such rolling 12-month period; *provided further*, that a report will not be considered late unless Freddie Mac provides the Third Party Master Servicer with written notice, with a copy to the certificate administrator, that the report was late within five days after the related distribution date.

If any Third Party Master Servicer is terminated solely due to an event described in clause 8 above, the Third Party Master Servicer will have 45 days to solicit bids and complete the sale of the servicing rights with respect to the underlying mortgage loans to a servicer acceptable under the Pooling and Servicing Agreement, during which time period the Third Party Master Servicer will continue to service the underlying mortgage loans.

However, to the extent an event of default exists solely with respect to one Loan Group or one Certificate Group, the rights of the certificateholders upon such event of default as described below under "—Rights Upon Event of Default" will only be exercisable by the holders of certificates in the related Certificate Group and with respect to the underlying mortgage loans in the related Loan Group, and not by any other certificateholders or with respect to any other underlying mortgage loans.

### **Rights Upon Event of Default**

If an event of default described under "—Events of Default" above occurs with respect to the master servicer or the special servicer and remains unremedied, the trustee will be authorized, and at the direction of Freddie Mac, the trustee will be required, to terminate all of the obligations and all of the rights of the defaulting party pursuant to the Pooling and Servicing Agreement in and to the underlying mortgage loans and proceeds of the underlying mortgage loans in the related Loan Group, other than any rights the defaulting party may have (i) as a certificateholder or (ii) in respect of compensation, indemnities and reimbursements accrued by or owing to such defaulting party on or prior to the date of termination or due to such defaulting party thereafter for services rendered and expenses incurred. Upon any such termination, the trustee must either:

- succeed to all of the responsibilities, duties and liabilities of the defaulting party under the Pooling and Servicing Agreement with respect to the related Loan Group and Loan Group Certificate; or
- appoint an established mortgage loan servicing institution to act as successor to the defaulting party under the Pooling and Servicing Agreement with respect to the related Loan Group and Loan Group Certificate that meets the Successor Servicer Requirements;

subject, in both cases, to (i) the right of the master servicer to sell its servicing rights with respect to the underlying mortgage loans as described in "—Events of Default" above, (ii) the right of Freddie Mac to appoint a successor

special servicer as described under “—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties” above and (iii) the right of Freddie Mac to waive such event of default as described below.

If the trustee is unwilling or unable to act as the permanent successor master servicer or special servicer or does not satisfy the Successor Servicer Requirements, it may (or, at the written request of Freddie Mac will be required to), promptly appoint, or petition a court of competent jurisdiction to appoint as successor to the master servicer or the special servicer, as applicable, an established mortgage loan servicing institution, which satisfies the Successor Servicer Requirements.

In general, Freddie Mac may waive the event of default. Furthermore, if the certificate administrator or the trustee is required to spend any monies in connection with any event of default or any waiver of that event of default, then that event of default may not be waived unless and until the certificate administrator or the trustee has been reimbursed for such amounts by the party requesting the waiver. Upon any waiver of an event of default, the event of default will cease to exist and will be deemed to have been remedied for every purpose under the Pooling and Servicing Agreement.

Freddie Mac, in its capacity as a certificateholder, will not have the right under the Pooling and Servicing Agreement to institute any proceeding with respect to the Pooling and Servicing Agreement or the certificates unless:

- Freddie Mac previously has given to the trustee written notice of default;
- except in the case of a default by the trustee, Freddie Mac has made written request upon the trustee to institute that proceeding in its own name as trustee under the Pooling and Servicing Agreement and have offered to the trustee reasonable security or indemnity; and
- the trustee for 60 days has neglected or refused to institute any such proceeding.

Each certificateholder will be deemed under the Pooling and Servicing Agreement to have expressly covenanted with every other certificateholder and the trustee, that no one or more certificateholders will have any right in any manner whatsoever by virtue of any provision of the Pooling and Servicing Agreement or the certificates to affect, disturb or prejudice the rights of the holders of any other certificates, or to obtain or seek to obtain priority over or preference to any other certificateholder, or to enforce any right under the Pooling and Servicing Agreement or the certificates, except in the manner provided in the Pooling and Servicing Agreement or the certificates and for the equal, ratable and common benefit of all certificateholders.

Neither the trustee nor the certificate administrator, however, will be under any obligation to exercise any of the trusts or powers vested in it by the Pooling and Servicing Agreement or the certificates or to make any investigation of matters arising thereunder or under the certificates or to institute, conduct or defend any litigation under or in relation to the Pooling and Servicing Agreement or the certificates at the request, order or direction of Freddie Mac, unless in the certificate administrator’s or the trustee’s opinion, as applicable, Freddie Mac has offered to the certificate administrator or the trustee, as applicable, reasonable security or indemnity against the costs, expenses and liabilities which may be incurred by the certificate administrator or the trustee as a result.

### **Matters Regarding the Trustee, the Certificate Administrator and the Custodian**

Each of the trustee and the certificate administrator is at all times required to be a corporation, national bank, trust company or national banking association organized and doing business under the laws of the U.S. or any State of the U.S. or the District of Columbia. Furthermore, the trustee and the certificate administrator must at all times, among other things—

- be authorized under those laws to exercise corporate trust powers;
- have a combined capital and surplus of at least \$50,000,000; and
- be subject to supervision or examination by federal or state authority.

If the corporation, national bank, trust company or national banking association publishes reports of condition at least annually, in accordance with law or the requirements of the supervising or examining authority, then the

combined capital and surplus of that corporation, national bank, trust company or national banking association will be deemed to be its combined capital and surplus as described in its most recent published report of condition.

The depositor, the master servicer, the special servicer, Freddie Mac and their respective affiliates, may from time to time enter into normal banking and trustee relationships with the trustee, the certificate administrator and their affiliates. The trustee, the certificate administrator and any of their respective affiliates may hold certificates in its own name. In addition, for purposes of meeting the legal requirements of some local jurisdictions, the trustee will have the power to appoint a co-trustee or separate trustee of all or any part of the assets of the issuing entity. All rights, powers, duties and obligations conferred or imposed upon the trustee will be conferred or imposed upon the trustee and the separate trustee or co-trustee jointly or, in any jurisdiction in which the trustee is incompetent or unqualified to perform some acts, singly upon the separate trustee or co-trustee, who may exercise and perform its rights, powers, duties and obligations solely at the direction of the trustee.

The trustee and the certificate administrator will be entitled to a monthly fee for their services as trustee, certificate administrator and custodian, as applicable. This fee will accrue with respect to each and every underlying mortgage loan. The trustee fee will accrue at the trustee fee rate set forth in "Description of the Certificates—Fees and Expenses" in this information circular on the Stated Principal Balance of each underlying mortgage loan outstanding from time to time and will be calculated on the same basis as interest on each underlying mortgage loan. The certificate administrator fee will accrue at the certificate administrator fee rate set forth in "Description of the Certificates—Fees and Expenses" in this information circular on the Stated Principal Balance of each underlying mortgage loan outstanding from time to time and will be calculated on the same basis as interest on each underlying mortgage loan. The trustee fee and the certificate administrator fee are payable out of general collections on the mortgage pool in the issuing entity.

The certificate administrator will initially be the custodian of the mortgage files. The certificate administrator may appoint, at the certificate administrator's own expense, one or more custodians to hold all or a portion of the mortgage files on behalf of the trustee; however the certificate administrator will be required to inform the master servicer, the trustee and Freddie Mac (if Freddie Mac is not then acting as master servicer) of such appointment and the appointment of any custodian will require the approval of Freddie Mac. Each custodian will be required to (i) be a depository institution supervised and regulated by a federal or state banking authority, (ii) have combined capital and surplus of at least \$10,000,000, (iii) be qualified to do business in the jurisdiction in which it holds any mortgage file, (iv) not be the depositor, the mortgage loan seller or any affiliate of the depositor or the mortgage loan seller, and (v) have in place Fidelity Insurance and errors and omissions insurance, each in such form and amount as is customarily required of custodians acting on behalf of Freddie Mac or Fannie Mae. Each custodian will be subject to the same obligations, standard of care, protections and indemnities as would be imposed on, or would protect, the certificate administrator under the Pooling and Servicing Agreement in connection with the retention of mortgage files directly by the certificate administrator. The appointment of one or more custodians will not relieve the certificate administrator from any of its obligations under the Pooling and Servicing Agreement, and the certificate administrator will remain responsible for all acts and omissions of any custodian.

### **Certain Indemnities**

The depositor, the master servicer (either in its own right or on behalf of an indemnified sub-servicer), the servicing consultant, and the special servicer and any officer, director, general or limited partner, shareholder, member, manager, employee, agent, affiliate or controlling person of the depositor, the master servicer, the special servicer or the servicing consultant will be entitled to be indemnified and held harmless by the issuing entity against any and all losses, liabilities, damages, claims, judgments, costs, fees, penalties, fines, forfeitures or other expenses (including reasonable legal fees and expenses (including in connection with the enforcement of such indemnified party's rights under the Pooling and Servicing Agreement)) that may be imposed on, incurred by or asserted against them in connection with, related to, or arising out of, the Pooling and Servicing Agreement, the transactions contemplated by the Pooling and Servicing Agreement or the certificates, other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) (i) that is specifically required to be borne by the party seeking indemnification, without right of reimbursement pursuant to the terms of the Pooling and Servicing Agreement or (ii) incurred by reason of a breach of any representation or warranty by the depositor, the master servicer or the special servicer, as applicable, under the Pooling and Servicing Agreement, or by reason of the willful misconduct, bad faith, fraud or negligence of the

depositor, the servicing consultant, the master servicer or the special servicer, as applicable, in the performance of its respective duties under the Pooling and Servicing Agreement or negligent disregard of its respective obligations or duties under the Pooling and Servicing Agreement. For the avoidance of doubt, the indemnification provided by the issuing entity pursuant to the preceding sentence will not entitle the servicing consultant, the master servicer or the special servicer, as applicable, to reimbursement for ordinary costs or expenses incurred by the servicing consultant, the master servicer or the special servicer, as applicable, in connection with its usual and customary performance of its duties and obligations under the Pooling and Servicing Agreement that are not expressly payable or reimbursable to the servicing consultant, the master servicer or the special servicer, as applicable, under the Pooling and Servicing Agreement. The master servicer, on behalf of an indemnified sub-servicer, will be entitled to pursue the issuing entity under the Pooling and Servicing Agreement for any indemnification due to an indemnified sub-servicer under the terms of the related Sub-Servicing Agreement. The master servicer will be required to promptly upon receipt and identification remit such indemnification amounts to the affected indemnified sub-servicer upon reimbursement of such amounts from the collection account or (upon receipt from the trustee) the distribution accounts, as applicable. If the master servicer determines that a claim for indemnification submitted by a sub-servicer should not be pursued under the terms of the related Sub-Servicing Agreement or the Pooling and Servicing Agreement, the master servicer will be required to promptly notify Freddie Mac in writing of the nature of such claim and a summary explanation of the master servicer's reason for denying such claim.

The trustee (in each of its capacities under the Pooling and Servicing Agreement), the certificate administrator (in each of its capacities under the Pooling and Servicing Agreement), the custodian and their respective officers, directors, general or limited partners, shareholders, members, managers, employees, agents, affiliates and controlling persons will be entitled to be indemnified and held harmless by the issuing entity against any and all losses, liabilities, damages, claims, judgments, costs, fees, penalties, fines, forfeitures or other expenses (including reasonable legal fees and expenses (including in connection with the enforcement of such indemnified party's rights under the Pooling and Servicing Agreement)) that may be imposed on, incurred by or asserted against the trustee, the certificate administrator or the custodian, as applicable, in connection with, related to, or arising out of the Pooling and Servicing Agreement, the transactions contemplated by the Pooling and Servicing Agreement or the certificates other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) (i) that constitutes a specific liability of the trustee, the certificate administrator or the custodian, as applicable, under the Pooling and Servicing Agreement or (ii) incurred by reason of any breach of any representation or warranty by the trustee, the certificate administrator or the custodian, as applicable, under the Pooling and Servicing Agreement or by reason of the willful misconduct, bad faith, fraud or negligence of the trustee, the certificate administrator or the custodian, as applicable, in the performance of its duties under the Pooling and Servicing Agreement or negligent disregard of its obligations or duties under the Pooling and Servicing Agreement.

However, subject to the last two sentences of this paragraph, in any calendar year, indemnification to us, the trustee, the certificate administrator, the custodian, any Third Party Master Servicer (for itself or certain indemnified sub-servicers, as applicable), any Third Party Special Servicer and their respective general or limited partners, members, managers, shareholders, affiliates, directors, officers, employees, agents and controlling persons will not exceed an amount equal to the Depositor Aggregate Annual Cap, the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap (if different persons or entities are the trustee and the certificate administrator/custodian), the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap (if the same person or entity is the trustee and the certificate administrator/custodian), the Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap or the Third Party Special Servicer Aggregate Annual Cap, as applicable. Any amounts payable in excess of the relevant Aggregate Annual Cap will be required to be paid, to the extent the funds are available, in the subsequent year or years (subject to the relevant Aggregate Annual Cap in each such calendar year) until paid in full. Any indemnification amounts unpaid as a result of the relevant Aggregate Annual Cap will accrue interest at a rate equal to the Prime Rate from the date on which such amounts would have otherwise been paid had such Aggregate Annual Cap not applied to the date on which such amount is paid. These Aggregate Annual Caps will not apply after the Aggregate Annual Cap Termination Date. Freddie Mac will have the right, in its sole and absolute discretion, to waive (as evidenced by a waiver signed by Freddie Mac) the Depositor Aggregate Annual Cap, the Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap, the Trustee Aggregate Annual Cap, the Certificate Administrator/Custodian Aggregate Annual Cap, the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap or the Third Party Special Servicer Aggregate Annual Cap upon the written request (which request, in the case of certain indemnified sub-servicers, is required to be accompanied by

notice to any Third Party Master Servicer) of the depositor, the trustee, the certificate administrator, any Third Party Master Servicer, certain indemnified sub-servicers or any Third Party Special Servicer, as applicable. At any time that Freddie Mac is acting as master servicer or special servicer, there will be no aggregate annual cap for the master servicer and/or the special servicer, as applicable.

## **Retirement**

The obligations created by the Pooling and Servicing Agreement will terminate with respect to either Loan Group and the related Certificate Group will be retired following the earliest of—

1. the final payment or advance on, or other liquidation of, the last underlying mortgage loan or related REO Property in the related Loan Group remaining in the issuing entity;
2. the purchase of all of the underlying mortgage loans and REO Properties in the related Loan Group remaining in the issuing entity by Freddie Mac, any Third Party Master Servicer or any Third Party Special Servicer, in the order of preference discussed below.

Written notice of the retirement of either Certificate Group will be given to each certificateholder and Freddie Mac. The final distribution of principal and/or interest on any certificate will be made only upon surrender and cancellation of that certificate at the office of the certificate registrar or at any other location specified in the notice of retirement.

The following parties will each in turn, according to the order listed below, have the option to purchase all of the underlying mortgage loans and all other property in the related Loan Group remaining in the issuing entity on any distribution date on which the total Stated Principal Balance of the underlying mortgage loans in the related Loan Group is less than 1.0% of the related initial Loan Group balance, upon written notice to the trustee and the other parties to the Pooling and Servicing Agreement:

1. Freddie Mac;
2. any Third Party Special Servicer; and
3. any Third Party Master Servicer.

Any purchase by Freddie Mac, any Third Party Special Servicer or any Third Party Master Servicer of all the underlying mortgage loans and REO Properties in the related Loan Group remaining in the issuing entity is required to be made at a price equal to:

- the sum of—
  1. the Purchase Price of all the underlying mortgage loans in the related Loan Group then included in the issuing entity, exclusive of REO Loans;
  2. the appraised value of all REO Properties in the related Loan Group then included in the issuing entity, as determined by an appraiser mutually agreed upon by the master servicer and the special servicer;
  3. without duplication, any unreimbursed Additional Issuing Entity Expenses; and
  4. any Unreimbursed Indemnification Expenses; minus
- solely in the case of a purchase by any Third Party Master Servicer or Third Party Special Servicer, the total of all amounts payable or reimbursable to the purchaser under the Pooling and Servicing Agreement.

The purchase will result in early retirement of the then outstanding certificates in the related Certificate Group. However, the right of Freddie Mac, any Third Party Master Servicer or any Third Party Special Servicer to make the purchase is subject to the requirement that the total Stated Principal Balance of the underlying mortgage loans in the related Loan Group be less than 1.0% of the related initial Loan Group balance. The retirement price, exclusive of any portion of the retirement price payable or reimbursable to any person other than the certificateholders, will constitute part of the Available Distribution Amount for the related Certificate Group for the related final distribution date. Any person or entity making the purchase will be responsible for reimbursing the parties to the

Pooling and Servicing Agreement for all reasonable out-of-pocket costs and expenses incurred by those parties in connection with the purchase.

The retirement of either Certificate Group while the other Certificate Group remains outstanding will not retire the other Certificate Group. Upon the retirement of one Certificate Group, the Pooling and Servicing Agreement will remain in full force and effect with respect to the other Certificate Group until such other Certificate Group is retired in accordance with the terms of the Pooling and Servicing Agreement.

#### **Amendment**

In general, the Pooling and Servicing Agreement may be amended by mutual agreement of the parties to the Pooling and Servicing Agreement without the consent of any of the holders of the certificates (except as set forth in item 7 below with respect to the consent of Freddie Mac) for the following reasons—

1. to cure any ambiguity;
2. to correct, modify or supplement any provision in the Pooling and Servicing Agreement which may be inconsistent with this information circular;
3. to correct, modify or supplement any provision in the Pooling and Servicing Agreement which may be inconsistent with any other provision in that document or to correct any error;
4. to make any other provisions with respect to matters or questions arising under the Pooling and Servicing Agreement that are not inconsistent with the existing provisions of that document;
5. with an opinion of counsel delivered to the trustee, the certificate administrator, the master servicer and the special servicer, to relax or eliminate (i) any requirement under the Pooling and Servicing Agreement imposed by the Grantor Trust Provisions of the Code or (ii) any transfer restriction imposed on the certificates, in each case, if such laws are amended or clarified such that any such restriction may be relaxed or eliminated;
6. with an opinion of counsel delivered to the trustee, the certificate administrator, the master servicer and the special servicer, to comply with the Code, avoid the occurrence of a prohibited transaction or reduce any tax that would arise from any actions taken with respect to the operation of either grantor trust;
7. with the consent of Freddie Mac, to allow the mortgage loan seller and its affiliates to obtain accounting “sale” treatment for the underlying mortgage loans sold by the mortgage loan seller to the depositor under applicable accounting standards;
8. to modify the procedures in the Pooling and Servicing Agreement relating to Rule 15Ga-1 under the Exchange Act; or
9. to modify, alter, amend, add to or rescind any of the provisions contained in the Pooling and Servicing Agreement to comply with any rules or regulations promulgated by the SEC from time to time.

No amendment described in clauses (3), (4) or (7) above may adversely affect in any material respect the interests of any certificateholder or any third-party beneficiary to the Pooling and Servicing Agreement or any provision of the Pooling and Servicing Agreement, as evidenced by the receipt by the trustee and the certificate administrator of an opinion of counsel to that effect or, alternatively, in the case of any particular certificateholder or third-party beneficiary, an acknowledgment to that effect from such person.

In addition, the Pooling and Servicing Agreement may be amended by the parties to the Pooling and Servicing Agreement to (a) add to, change or eliminate any of the provisions of the Pooling and Servicing Agreement or (b) modify the rights of the holders of the certificates. However, no such amendment may:

1. reduce the amount of, or delay the timing of, payments received or advanced on the underlying mortgage loans and/or REO Properties which are required to be distributed on any certificate, without the consent of the holder of such certificate;

2. adversely affect in any material respect the interests of the holders of any class of certificates in a manner other than as described in clause (1) above, without the consent of the holders of all certificates of such class;
3. modify the amendment provisions of the Pooling and Servicing Agreement or the definitions of Accepted Servicing Practices, Freddie Mac Servicing Practices or Servicing Standard without the consent of the holders of all certificates then outstanding;
4. modify the obligation of the Guarantor to guarantee the Guaranteed Certificates;
5. significantly change the activities of the issuing entity, without the consent of Freddie Mac; or
6. adversely affect in any material respect the interests of any third-party beneficiary to the Pooling and Servicing Agreement without the consent of such third-party beneficiary.

The Pooling and Servicing Agreement provides that any amendments made to it must be accompanied by an opinion of counsel stating that the amendment will not adversely affect the status of either grantor trust created under the Pooling and Servicing Agreement.

## **CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

### **General**

The following is a general discussion of the anticipated material federal income tax consequences of the purchase, ownership and disposition of the certificates. This discussion is directed solely to Holders that purchase certificates at their initial issuance for cash and that will hold the certificates as capital assets (generally, property held for investment) and not as part of a “straddle,” “hedge,” “synthetic security” or a “conversion transaction” for federal income tax purposes, or as part of some other integrated investment. This discussion below does not purport to address all federal income tax consequences (such as alternative minimum tax) that may be applicable to particular categories of investors, some of which (such as banks, thrifts, or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; mutual funds or real estate investment trusts; small business investment companies; S corporations; partnerships or other entities treated as partnerships for federal income tax purposes; Holders whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt entities, or persons holding the certificates in tax-deferred or tax-advantaged accounts; “controlled foreign corporations” or “passive foreign investment companies” for federal income tax purposes) may be subject to special rules. The authorities on which this discussion is based are subject to change or differing interpretations, and any such change or interpretation could apply retroactively. This discussion reflects the applicable provisions of the Code and Treasury Regulations. Investors should consult their own tax advisors in determining the federal, state, local or any other tax consequences to them of the purchase, ownership and disposition of certificates. For the purposes of the discussion under this section entitled “Certain Federal Income Tax Consequences,” “Holder” and “Certificateholder” mean the beneficial owner of a certificate.

Except as specifically described below, this discussion does not address the consequences to a Certificateholder following a foreclosure or deed-in-lieu of foreclosure on any of the assets securing the underlying mortgage loans.

### **Characterization of the Issuing Entity**

Upon the issuance of the certificates, Cadwalader, Wickersham & Taft LLP, special counsel to the depositor, will deliver its opinion to the effect that, under then existing law and assuming compliance with all provisions of the Pooling and Servicing Agreement and the other operative documents, although there is no authority directly addressing securities like the certificates, (i) the issuing entity will be classified as two grantor trusts (each, a “Grantor Trust”) under subpart E, part I of subchapter J of Chapter 1 of the Code (the “Grantor Trust Provisions”) and not as a taxable mortgage pool, an association taxable as a corporation or a publicly traded partnership taxable as a corporation; (ii) the class A-G1 and X-G1 certificates will represent beneficial ownership interests in a Grantor Trust that will contain the underlying mortgage loans in Loan Group 1 and the proceeds of such Loan Group; (iii) the class A-G2 and X-G2 certificates will represent beneficial ownership interests in a Grantor Trust that will

contain the underlying mortgage loans in Loan Group 2 and the proceeds of such Loan Group; and (iv) the certificates will be treated as “stripped bonds” or “stripped coupons”, as applicable, within the meaning of section 1286 of the Code. Each Certificateholder, by acquiring a certificate, agrees to treat the issuing entity as two grantor trusts and the certificates as interests in the related assets of the applicable Grantor Trust and as “stripped bonds” or “stripped coupons”, as applicable, for all U.S. federal, state and local income and franchise tax purposes unless otherwise required by applicable law.

Opinions of counsel are not binding on the IRS or the courts. If the assets of the issuing entity were not treated as grantor trusts for U.S. federal income tax purposes, the issuing entity likely would be treated as one or more partnerships if there is more than one Holder of the certificates. Prospective Holders of certificates should consult their tax advisors regarding the proper tax characterization of the certificates. The remainder of the discussion below assumes that the assets of the issuing entity will be treated as grantor trusts and that the certificates will be treated as representing an interest in the applicable assets of their respective Grantor Trusts.

### **Tax Status of the Certificates**

Certificates owned by a real estate investment trust will be considered to represent “real estate assets” within the meaning of section 856(c)(5)(B) of the Code, and interest and original issue discount income on the certificates will be considered “interest on obligations secured by mortgages on real property” within the meaning of section 856(c)(3)(B) of the Code in the same proportion that, for both purposes, the assets of the issuing entity would be so treated. For purposes of section 856(c)(5)(B) of the Code, payments of principal and interest on the underlying mortgage loans that are reinvested pending distribution to Certificateholders qualify for such treatment. A certificate owned by a “domestic building and loan association” within the meaning of section 7701(a)(19) of the Code will be considered to represent “loans . . . secured by an interest in real property which is . . . residential real property” within the meaning of section 7701(a)(19)(C)(v) of the Code only to the extent the underlying mortgage loans are secured by residential real property. Underlying mortgage loans that have had the related mortgaged real property substituted for letters of credit or “eligible securities” as defined in the related underlying mortgage loan will not qualify for such treatment. In addition, no determination has been made whether any underlying mortgage loan would be a “qualified mortgage” for a “real estate mortgage investment conduit” (a “REMIC”), as those terms are defined in sections 860G(a)(3) and 860D(a) of the Code, respectively. Certificateholders should consult their own tax counsel regarding the applicability of these Code provisions.

### **Tax Treatment of Certificates**

*General.* Under federal income tax rules applicable to grantor trusts, Holders of each class of certificates will be treated as the beneficial owners of such Holders’ *pro rata* shares of the related portions of the related Loan Group. More specifically, (i) Holders of class A-G1 or A-G2 certificates will be treated as the beneficial owners of undivided interests in the principal and a portion of the interest on the related Loan Group and as owners of multiple “stripped bonds,” and (ii) Holders of the class X-G1 or X-G2 certificates will be treated as the beneficial owners of undivided interests in a portion of the interest payments on the related Loan Group and as owners of multiple “stripped coupons.” See “—Stripped Bonds and Stripped Coupons” below.

*Stripped Bonds and Stripped Coupons.* Pursuant to section 1286 of the Code, the separation of ownership of the right to receive some or all of the interest payments on a debt obligation from ownership of the right to receive some or all of the principal payments results in the creation of “stripped bonds” with respect to principal payments and “stripped coupons” with respect to interest payments. A Certificateholder will be treated as owning “stripped bonds” to the extent of its share of principal payments from the related Loan Group and as owning “stripped coupons” to the extent of its share of interest payments from the related Loan Group for U.S. federal income tax purposes, except as discussed below. Because the class A-G1 and A-G2 certificates are entitled to both principal and interest payments, the IRS could contend that such certificates should be treated (i) as an interest in the assets of the issuing entity that is not a “stripped bond” or “stripped coupon” to the extent that the class A-G1 or A-G2 certificates represent an equal *pro rata* portion of principal and interest on the related Loan Group and (ii) with respect to the remainder, an installment obligation consisting of “stripped bonds” to the extent of its share of principal payments of the related Loan Group and “stripped coupons” to the extent of its share of interest payments from the related Loan Group. For tax information reporting purposes, the issuing entity will take the position that each certificate will be treated as a

single debt instrument that is taxed under section 1286 of the Code. Prospective investors should consult their own tax advisors as to the proper treatment of a certificate in this regard.

*Issuing Entity Expenses.* The issuing entity also will incur various expenses, which may be considered “miscellaneous itemized deductions” for a Holder of certificates that is an individual, estate or trust. Expenses (including fees) constituting miscellaneous itemized deductions are deductible only to the extent that such amounts exceed 2% of the “adjusted gross income” of the individual, estate or trust. Furthermore, the method to allocate such expenses among classes of stripped bonds and stripped coupons is unclear. In the absence of statutory or administrative clarification as to the method to be used, it is currently intended that, for purposes of any applicable tax information reporting rules, the expenses of the issuing entity will be allocated among the certificates in each accrual period based on the relative amounts of interest accrued during such accrual period. Prospective investors should consult their own tax advisors, however, as to the proper allocation of aggregate issuing entity expenses for U.S. federal income tax purposes.

### **Application of the Stripped Bond Rules**

*General.* In general, interest and OID on a certificate will be treated as ordinary income to a Certificateholder and principal payments on a class A-G1 or A-G2 certificate will be treated as a return of capital to the extent of the Certificateholder’s basis allocable to its certificate.

*Original Issue Discount.* The following discussion is based in part upon the rules governing OID and stripped bonds and coupons that are set forth in sections 1271 through 1273, 1275 and 1286 of the Code and the Treasury regulations thereunder (the “OID Regulations”). Under section 1286 of the Code, a Certificateholder must treat the certificate as a debt instrument originally issued on the date the Certificateholder acquires it having OID equal to the excess, if any, of its “stated redemption price at maturity” (in the case of a stripped coupon, the amount payable on the due date of such coupon) over the price considered paid by the Certificateholder to acquire it. Under applicable Treasury regulations, the interest payable on the class A-G1 and A-G2 certificates with respect to the related Loan Group will be “qualified stated interest” that is excluded from the stated redemption price at maturity. Accordingly, the stated redemption price at maturity of the class A-G1 and A-G2 certificates should include only the related principal balance. Certificateholders must include OID in their ordinary income for U.S. federal income tax purposes as it accrues, in accordance with the method described below, generally in advance of receipt of the cash attributable to that income. The OID Regulations provide that a holder of a debt instrument may use an accrual period of any length, up to one year, as long as each distribution of principal or interest occurs on either the final day or the first day of an accrual period. The certificate administrator will report OID based on accrual periods of one (1) month. Based on the foregoing, it is anticipated that the class A-G1 and A-G2 certificates will not be issued with OID.

It is anticipated that the certificate administrator will treat the class X-G1 and X-G2 certificates as having no qualified stated interest. Accordingly, the class X-G1 and X-G2 certificates will be considered to be issued with OID in amounts equal to the excess of all distributions of interest expected to be received on such certificates over their issue price. Any “negative” amounts of OID on such classes attributable to rapid prepayments with respect to the related Loan Group will not be deductible currently. A Holder of a class X-G1 or X-G2 certificate may be entitled to a deduction for a loss, which may be a capital loss, to the extent it becomes certain that such Holder will not recover a portion of its basis in the related certificate, assuming no further prepayments. In the alternative, it is possible that rules similar to the “noncontingent bond method” of the contingent interest rules of the OID Regulations may be promulgated with respect to the class X-G1 and X-G2 certificates. Unless and until required otherwise by applicable authority, it is not anticipated that the contingent interest rules will apply.

Under a *de minimis* rule, OID on a certificate will be considered to be zero if such OID is less than 0.25% of the stated redemption price at maturity of such certificate multiplied by the weighted average maturity of such certificate. For this purpose, the weighted average maturity is computed as the sum of the amounts determined by multiplying the number of full years (*i.e.*, rounding down partial years) from the Closing Date until each distribution scheduled to be made by a fraction, the numerator of which is the amount of each distribution included in the stated redemption price at maturity of such certificate and the denominator of which is the stated redemption price at maturity of such certificate. The Conference Committee Report to the 1986 Act provides that the schedule of such distributions should be determined in accordance with the assumed rate of prepayment of the related Loan Group,

*i.e.*, no prepayments and no extensions (the “Prepayment Assumption”). Holders generally must report *de minimis* OID *pro rata* as principal payments are received, and such income will be capital gain if the certificate is held as a capital asset. However, under the OID Regulations, Holders of certificates may elect to accrue all *de minimis* OID as well as premium under the constant yield method. See “—Election to Treat All Interest Under the Constant Yield Method” below.

The Holder of a certificate issued with OID generally must include in gross income for any taxable year the sum of the “daily portions,” as defined below, of the OID on the certificate accrued during an accrual period for each day on which it holds the certificate, including the date of purchase but excluding the date of disposition. With respect to each such certificate, a calculation will be made of the OID that accrues during each successive full accrual period that ends on the day prior to each distribution date with respect to the certificate. The OID accruing in a full accrual period will be the excess, if any, of (i) the sum of (a) the present value of all of the remaining distributions to be made on the certificate as of the end of that accrual period based on the Prepayment Assumption and (b) the distributions made on the certificate during the accrual period that are included in the certificate’s stated redemption price at maturity, over (ii) the adjusted issue price of the certificate at the beginning of the accrual period. The present value of the remaining distributions referred to in the preceding sentence is calculated based on (i) the yield to maturity of the certificate as of the Closing Date, (ii) events (including actual prepayments) that have occurred prior to the end of the accrual period, (iii) the assumption that the value of LIBOR used to compute the initial pass-through rate of the certificate does not change thereafter and (iv) the assumption that the remaining payments will be made in accordance with the original Prepayment Assumption. For these purposes, the adjusted issue price of a certificate at the beginning of any accrual period equals the issue price of the certificate, increased by the aggregate amount of OID with respect to the certificate that accrued in all prior accrual periods and reduced by the amount of distributions included in the certificate stated redemption price at maturity that were made on the certificate that were attributable to such prior periods. The OID accruing during any accrual period (as determined in this paragraph) will then be divided by the number of days in the period to determine the daily portion of OID for each day in the period. The OID allocable to the short first accrual period will be computed based on the exact method.

Under the method described above, the daily portions of OID required to be included as ordinary income by a Certificateholder generally will increase to take into account prepayments on the related certificate as a result of prepayments on the underlying mortgage loans in the related Loan Group. Due to the unique nature of interest-only certificates, the preceding sentence may not apply in the case of the class X-G1 and X-G2 certificates.

*Acquisition Premium.* A purchaser of a certificate at a price greater than its adjusted issue price and less than its remaining stated redemption price at maturity will be required to include in gross income the daily portions of the OID on the certificate reduced *pro rata* by a fraction, the numerator of which is the excess of its purchase price over such adjusted issue price and the denominator of which is the excess of the remaining stated redemption price at maturity over the adjusted issue price. Alternatively, such a purchaser may elect to treat all such acquisition premium under the constant yield method, as described below under the heading “—Election to Treat All Interest Under the Constant Yield Method” below.

*Premium.* A certificate purchased upon initial issuance at a cost greater than its remaining stated redemption price at maturity generally is considered to be purchased at a premium. If the Certificateholder holds such certificate as a “capital asset” within the meaning of section 1221 of the Code, the Certificateholder may elect under section 171 of the Code to amortize such premium under the constant yield method. Final Treasury Regulations under section 171 of the Code do not, by their terms, apply to prepayable obligations such as the certificates. The Conference Committee Report to the 1986 Act provides that bond premium would amortize under section 171 of the Code on installment obligations such as the certificates on the basis of a constant interest rate, although it is unclear whether the alternative to the constant interest method, where the ratio of interest amortized for the relevant period to the sum of the interest amortized for such period plus the remaining interest after the end of such period, is available. Amortizable bond premium will be treated as an offset to interest income on a certificate rather than as a separate deduction item. See “—Election to Treat All Interest Under the Constant Yield Method” below regarding an alternative manner in which the election under section 171 of the Code may be deemed to be made with respect to the certificates. Based on the foregoing, it is anticipated that the class A-G1 and A-G2 certificates will not be issued at a premium. Because the stated redemption price at maturity of the class X-G1 and X-G2 certificates will

include all anticipated distributions of interest on such class, it is unlikely that such classes could be purchased at a premium.

*Election to Treat All Interest Under the Constant Yield Method.* A Holder of a debt instrument such as a certificate may elect to treat all interest that accrues on the instrument using the constant yield method, with none of the interest being treated as qualified stated interest. For purposes of applying the constant yield method to a debt instrument subject to such an election, (i) “interest” includes stated interest, OID and *de minimis* OID, as adjusted by any amortizable bond premium or acquisition premium and (ii) the debt instrument is treated as if the instrument were issued on the Holder’s acquisition date in the amount of the Holder’s adjusted basis immediately after acquisition. A Holder generally may make such an election on an instrument-by-instrument basis or for a class or group of debt instruments. However, if the Holder makes such an election with respect to a debt instrument with amortizable bond premium, the Holder is deemed to have made elections to amortize bond premium currently as it accrues under the constant yield method for all premium bonds held or acquired by the Holder on the first day of the taxable year of the election or thereafter. The election is made on the Holder’s federal income tax return for the year in which the debt instrument is acquired and is irrevocable except with the approval of the IRS. Investors should consult their own tax advisors regarding the advisability of making such an election.

*Treatment of Losses.* Holders of the certificates who use the accrual method of accounting will be required to report income with respect to the certificates without giving effect to delays or reductions in distributions attributable to a default or delinquency on the related Loan Group, except to the extent it can be established that such losses are uncollectible. Accordingly, the Holder of a certificate may have income, or may incur a diminution in cash flow as a result of a default or delinquency, but may not be able to take a deduction (subject to the discussion below) for the corresponding loss until a subsequent taxable year. In this regard, investors are cautioned that while they generally may cease to accrue interest income if it reasonably appears that such interest will be uncollectible, the IRS may take the position that OID must continue to be accrued in spite of its uncollectibility until the debt instrument is disposed of in a taxable transaction or becomes worthless in accordance with the rules of section 166 of the Code. Under section 166 of the Code, other than with respect to Holders of the class X-G1 or X-G2 certificates, Certificateholders that are corporations or that otherwise hold the certificates in connection with a trade or business should in general be allowed to deduct as an ordinary loss any such loss sustained during the taxable year on any such certificates becoming wholly or partially worthless, and, in general, Certificateholders that are not corporations and do not hold the certificates in connection with a trade or business will be allowed to deduct as a short-term capital loss any loss with respect to principal sustained during the taxable year on any class of such certificates becoming wholly worthless. Although the matter is not free from doubt, such non-corporate Certificateholders should be allowed a bad debt deduction at such time as the outstanding principal balance of any class of such certificates is reduced to reflect losses resulting from liquidation of the related Loan Group to the extent the outstanding principal balance of such certificate is reduced below the Certificateholder’s basis in such certificate. Notwithstanding the foregoing, Holders of class X-G1 or X-G2 certificates may not be entitled to a bad debt loss under section 166 of the Code. The IRS could also assert that losses on a class of certificates are deductible based on some other method, such as reducing future cash flow for purposes of computing OID. This may have the effect of creating “negative” OID which, with the possible exception of the method discussed in the following sentence, would be deductible only against future positive OID or otherwise upon termination of the applicable class. Although not free from doubt, a Certificateholder with negative OID may be entitled to deduct a loss to the extent that its remaining basis would exceed the maximum amount of future payments to which such Holder was entitled, assuming no further prepayments. Certificateholders are urged to consult their own tax advisors regarding the appropriate timing, amount and character of any loss sustained with respect to such certificates. Special loss rules are applicable to banks and thrift institutions, including rules regarding reserves for bad debts. Such taxpayers are advised to consult their tax advisors regarding the treatment of losses on the certificates.

*Sale or Exchange of Certificates.* If a Certificateholder sells or exchanges a certificate, the Certificateholder will recognize gain or loss equal to the difference, if any, between the amount received and its adjusted basis in the certificate. The adjusted basis of a certificate generally will equal the cost of the related certificate to the seller, increased by any OID previously included in the seller’s gross income with respect to the certificate and reduced by amounts included in the stated redemption price at maturity of the certificate that were previously received by the seller, by any amortized premium, and by any deductible losses on such certificate.

Except as provided in this paragraph, any gain or loss on the sale or exchange of a certificate realized by an investor who holds the certificate as a capital asset will be capital gain or loss and will be long-term or short-term depending on whether the certificate has been held for the long-term capital gain holding period (currently more than one year). Such gain will be treated as ordinary income (i) if the certificate is held as part of a “conversion transaction” as defined in section 1258(c) of the Code, up to the amount of interest that would have accrued on the Certificateholder’s net investment in the conversion transaction at 120% of the appropriate applicable Federal rate under section 1274(d) of the Code in effect at the time the taxpayer entered into the transaction minus any amount previously treated as ordinary income with respect to any prior disposition of property that was held as part of such transaction, (ii) in the case of a noncorporate taxpayer, to the extent such taxpayer has made an election under section 163(d)(4) of the Code to have net capital gains taxed as investment income at ordinary income rates, or (iii) to the extent that such gain does not exceed the excess, if any, of (a) the amount that would have been includable in the gross income of the Holder if his yield on such certificate were 110% of the applicable federal rate as of the date of purchase, over (b) the amount of income actually includable in the gross income of such Holder with respect to the certificate. In addition, gain or loss recognized from the sale of a certificate by certain banks or thrift institutions will be treated as ordinary income or loss pursuant to section 582(c) of the Code. Long-term capital gains of individuals are taxed at a lower rate than ordinary income and short-term capital gains. Tax rates of corporations are the same for capital gains and ordinary income, but their capital losses may be offset only against capital gains.

*Deemed Sale or Exchange.* If an underlying mortgage loan in a Loan Group is modified (by the trust administrator or otherwise) in a manner that constitutes a “significant modification” of the underlying mortgage loan (within the meaning of Treasury Regulations section 1.1001-3), a Holder of a certificate in the related Certificate Group will be treated for federal income tax purposes as having exchanged its interest in the underlying mortgage loan immediately prior to the modification for an interest in the modified underlying mortgage loan and will realize gain or loss equal to the difference, if any, between such Certificateholder’s “issue price” of its interest in the modified underlying mortgage loan and such Holder’s adjusted basis in its certificate prior to the modification. Certificateholders should consult their tax advisors regarding the federal income tax consequences of any modification of an underlying mortgage loan.

### **Taxation of Static Prepayment Premiums and Yield Maintenance Charges**

A portion of certain Static Prepayment Premiums and Yield Maintenance Charges actually collected on the underlying mortgage loans will be distributed to the offered certificates as and to the extent described in this information circular. It is not entirely clear under the Code when the amount of Static Prepayment Premiums or Yield Maintenance Charges should be taxed to the holder entitled to that amount. For federal income tax reporting purposes, the certificate administrator will report the applicable Static Prepayment Premiums or Yield Maintenance Charges as income to the Holders of the offered certificates entitled to such amounts only after the master servicer’s actual receipt of those amounts. The IRS may nevertheless seek to require that an assumed amount of such Static Prepayment Premiums or Yield Maintenance Charges be included in payments projected to be made on the offered certificates and that the taxable income be reported based on a projected constant yield to maturity. Therefore, the projected Static Prepayment Premiums or Yield Maintenance Charges would be included prior to their actual receipt by holders of the offered certificates. If the projected Static Prepayment Premiums or Yield Maintenance Charges were not actually received, presumably the holder of an offered certificate would be allowed to claim a deduction or reduction in gross income at the time the unpaid Static Prepayment Premiums or Yield Maintenance Charges had been projected to be received. Moreover, it appears that Static Prepayment Premiums and Yield Maintenance Charges are to be treated as ordinary income rather than capital gain. However, the correct characterization of the income is not entirely clear. We recommend that Holders of offered certificates consult their own tax advisors concerning the treatment of Static Prepayment Premiums and Yield Maintenance Charges.

### **Foreign Investors**

*General.* Interest, including OID, distributable to beneficial owners of certificates who are nonresident aliens, foreign corporations, or other non-U.S. Persons (*i.e.*, any person who is not a “U.S. Person,” as defined in the next paragraph), will be considered “portfolio interest” and, therefore, generally will not be subject to 30% United States withholding tax, *provided* that such non-U.S. Person (i) is not a “10-percent shareholder” within the meaning of section 871(h)(3)(B) of the Code, or a controlled foreign corporation described in section 881(c)(3)(C) of the Code

related to one or more borrowers and (ii) provides the certificate administrator, or the person who would otherwise be required to withhold tax from such distributions under section 1441 or 1442 of the Code, with an appropriate statement, signed under penalties of perjury, identifying the beneficial owner and stating, among other things, that the beneficial owner of the certificate is a non-U.S. Person. The appropriate documentation includes IRS Form W-8BEN-E or IRS Form W-8BEN, if the non-U.S. Person is an entity (such as a corporation) or individual, respectively, eligible for the benefits of the portfolio interest exemption or an exemption based on a treaty; IRS Form W-8ECI if the non-U.S. Person is eligible for an exemption on the basis of its income from the certificate being effectively connected to a United States trade or business; IRS Form W-8BEN-E or IRS Form W-8IMY if the non-U.S. Person is a trust, depending on whether such trust is classified as the beneficial owner of the certificate; and IRS Form W-8IMY, with supporting documentation as is specified in the Treasury Regulations, required to substantiate exemptions from withholding on behalf of its partners, if the non-U.S. Person is a partnership. An intermediary (other than a partnership) must provide IRS Form W-8IMY, revealing all required information, including its name, address, taxpayer identification number, the country under the laws of which it is created, and certification that it is not acting for its own account. A “qualified intermediary” must certify that it has provided, or will provide, a withholding statement as required under Treasury Regulations section 1.1441-1(e)(5)(v), but need not disclose the identity of its account holders on its IRS Form W-8IMY, and may certify its account holders’ status without including each beneficial owner’s certification. A “non-qualified intermediary” must additionally certify that it has provided, or will provide, a withholding statement that is associated with the appropriate IRS Forms W-8 and W-9 required to substantiate exemptions from withholding on behalf of its beneficial owners. The term “intermediary” means a person acting as a custodian, a broker, nominee or otherwise as an agent for the beneficial owner of a certificate. A “qualified intermediary” is generally a foreign financial institution or clearing organization or a non-U.S. branch or office of a U.S. financial institution or clearing organization that is a party to a withholding agreement with the IRS.

If such statement, or any other required statement, is not provided, 30% withholding will apply unless interest on the certificate is effectively connected with the conduct of a trade or business within the United States by such non-U.S. Person. In that case, such non-U.S. Person will be subject to U.S. federal income tax at regular rates. The term “U.S. Person” means a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States, any State in the United States or the District of Columbia, including an entity treated as a corporation or partnership for U.S. federal income tax purposes, an estate whose income is subject to U.S. federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of such trust, and one more such U.S. Persons have the authority to control all substantial decisions of such trust (or, to the extent provided in applicable Treasury Regulations, certain trusts in existence on August 20, 1996 that have elected to be treated as U.S. Persons).

To the extent that gains are recognized from the sale or other disposition of REO Property, a Certificateholder that is not a United States Person would be subject to tax (including a 30% branch profits tax for corporate holders) and withholding would be required under section 897 of the Code. Non-U.S. Persons should consult their tax advisors concerning the consequences of the acquisition of the mortgaged real property by the issuing entity.

Prospective investors that are not U.S. Persons are urged to consult their own tax advisors with respect to an investment in the certificates.

**Backup Withholding with Respect to Certificates.** Distributions made on the certificates, and proceeds from the sale of the certificates to or through certain brokers may be subject to a “backup” withholding tax under section 3406 of the Code at the current rate of 28% on “reportable payments” (including interest distributions, OID, and, under certain circumstances, principal distributions) unless the Certificateholder is a U.S. Person and provides IRS Form W-9 with the correct taxpayer identification number; is a non-U.S. Person and provides IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, identifying the non-U.S. Person and stating that the beneficial owner is not a U.S. Person; or can be treated as an exempt recipient within the meaning of Treasury Regulations section 1.6049-4(c)(1)(ii). Any amounts withheld from distribution on the certificates would be refunded by the IRS or allowed as a credit against the Certificateholder’s federal income tax liability. Information reporting requirements may also apply regardless of whether withholding is required. Investors are urged to contact their own tax advisors regarding the application to them of backup withholding and information reporting.

## **FATCA**

Under the “Foreign Account Tax Compliance Act” (“FATCA”) provisions of the Hiring Incentives to Restore Employment Act, a 30% withholding tax is generally imposed on certain payments, including U.S.-source interest, and, on or after January 1, 2019, gross proceeds from the sale or other disposition of debt obligations that give rise to U.S.-source interest, to “foreign financial institutions” and certain other foreign financial entities if those foreign entities fail to comply with the requirements of FATCA. The certificate administrator will be required to withhold amounts under FATCA on payments made to Certificateholders who are subject to the FATCA requirements and who fail to provide the certificate administrator with proof that they have complied with such requirements. Prospective investors should consult their tax advisors regarding the applicability of FATCA to their certificates.

## **3.8% Medicare Tax on “Net Investment Income”**

Certain non-corporate U.S. Persons will be subject to an additional 3.8% tax on all or a portion of their “net investment income,” which may include the interest payments and any gain realized with respect to the certificates, to the extent of their net investment income that, when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. The 3.8% Medicare tax is determined in a different manner than the regular income tax. U.S. Persons should consult their tax advisors with respect to their consequences with respect to the 3.8% Medicare tax.

## **Reporting Requirements**

Treasury Regulations require the certificate administrator to file an annual information return with the IRS and to furnish to holders of the certificates their respective shares of income and expenses with respect to their interests in the grantor trusts.

The IRS has published final regulations which establish a reporting framework for interests in “widely held fixed investment trusts” and place the responsibility of reporting on the person in the ownership chain who holds an interest for a beneficial owner. A widely-held fixed investment trust is defined as an arrangement classified as an “investment trust” under Treasury Regulations section 301.7701-4(c), in which any interest is held by a middleman, which includes, but is not limited to (i) a custodian of a person’s account, (ii) a nominee and (iii) a broker holding an interest for a customer in street name.

Under these regulations, the certificate administrator will be required to file IRS Form 1099 (or any successor form) with the IRS with respect to Holders of the certificates who are not “exempt recipients” (a term that includes corporations, trusts, securities dealers, middlemen and certain other non-individuals) and do not hold such certificates through a middleman, to report the gross income of the issuing entity and, in certain circumstances, if any issuing entity assets were disposed of or certificates are sold in secondary market sales, the portion of the gross proceeds relating to the issuing entity assets that are attributable to such Holder. The same requirements would be imposed on middlemen holding certificates on behalf of Holders.

These regulations also require that the certificate administrator make available information regarding interest income and information necessary to compute any OID to (i) exempt recipients (including middlemen) and non-calendar year taxpayers, upon request, in accordance with the requirements of the regulations and (ii) Holders who do not hold their certificates through a middleman. The information must be provided to parties specified in clause (i) on or before the later of the 30th day after the close of the calendar year to which the request relates and 14 days after the receipt of the request. The information must be provided to parties specified in clause (ii) on or before March 15th of the calendar year following the year for which the statement is being furnished.

**DUE TO THE COMPLEXITY OF THESE RULES AND THE CURRENT UNCERTAINTY AS TO THE MANNER OF THEIR APPLICATION TO THE ISSUING ENTITY AND CERTIFICATEHOLDERS, IT IS PARTICULARLY IMPORTANT THAT POTENTIAL INVESTORS CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX TREATMENT OF THEIR ACQUISITION, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES.**

## **STATE AND OTHER TAX CONSIDERATIONS**

In addition to the federal income tax consequences described in “Certain Federal Income Tax Consequences,” potential investors should consider the state, local and other income tax consequences of the acquisition, ownership, and disposition of the certificates. State and local income tax law may differ substantially from the corresponding federal law, and this discussion does not purport to describe any aspect of the income tax laws of any state, local or other jurisdiction. Therefore, potential investors should consult their own tax advisors with respect to the various tax consequences of investments in the certificates.

## **USE OF PROCEEDS**

We will use the net proceeds from the sale of the offered certificates to pay part of the purchase price of the underlying mortgage loans.

## **PLAN OF DISTRIBUTION**

Subject to the terms and conditions of a certificate purchase agreement, we have agreed to sell to Freddie Mac the offered certificates and Freddie Mac has agreed to purchase the offered certificates from us. Freddie Mac intends to include the offered certificates in pass-through pools that it will form for its SPCs.

## **LEGAL MATTERS**

The validity of the offered certificates and certain federal income tax matters will be passed upon for us by Cadwalader, Wickersham & Taft LLP. Cadwalader, Wickersham & Taft LLP also regularly provides legal representation to Freddie Mac.

## GLOSSARY

The following capitalized terms will have the respective meanings assigned to them in this “Glossary” section whenever they are used in this information circular, including in any of the exhibits to this information circular.

“30/360 Basis” means the accrual of interest based on a 360-day year consisting of 12 months each consisting of 30 days.

“Accepted Servicing Practices” means servicing and administering the underlying mortgage loans and/or REO Properties:

- (i) (a) in the same manner in which, and with the same care, skill, prudence and diligence with which the master servicer or the special servicer, as the case may be, services and administers similar mortgage loans for other third party portfolios, giving due consideration to the customary and usual standards of practice of prudent institutional commercial and multifamily mortgage loan servicers servicing mortgage loans for third parties, which includes, for purposes of this clause (a), Freddie Mac Servicing Practices, and (b) with the same care, skill, prudence and diligence with which the master servicer or the special servicer, as the case may be, services and administers similar commercial and multifamily mortgage loans owned by it, whichever is higher;
- (ii) with a view to the timely collection of all scheduled payments of principal and interest under the underlying mortgage loans and, in the case of the special servicer, if an underlying mortgage loan comes into and continues in default and if, in the judgment of the special servicer, no satisfactory arrangements can be made for the collection of the delinquent payments, the maximization of the recovery on that underlying mortgage loan to the holders of the related Loan Group Certificates (as a collective whole), on a net present value basis; but
- (iii) without regard to—
  - (a) any relationship that the master servicer or the special servicer, as the case may be, or any of their affiliates may have with the related borrower, the mortgage loan seller or any other party to the Pooling and Servicing Agreement;
  - (b) the ownership of any certificate or any subordinate debt by the master servicer or the special servicer, as the case may be, or by any of their affiliates;
  - (c) the master servicer’s obligation to make advances;
  - (d) the special servicer’s obligation to request that the master servicer make Servicing Advances;
  - (e) the right of the master servicer or the special servicer, as the case may be, or any of their affiliates, to receive reimbursement of costs, or the sufficiency of any compensation payable to it, or with respect to any particular transaction;
  - (f) any potential conflict of interest arising from the ownership, servicing or management for others of any other mortgage loans or mortgaged real properties by the master servicer or the special servicer, as the case may be, or any affiliate of the master servicer or the special servicer, as applicable;
  - (g) any obligation of the master servicer (in its capacity as an Originator, if applicable) to cure a breach of a representation or warranty or repurchase the underlying mortgage loan; or
  - (h) any debt extended to the borrower or any of its affiliates by the master servicer or the special servicer, as the case may be, or any of their affiliates; or
  - (i) the right of the master servicer or the special servicer, as the case may be, to exercise any purchase option as described in “The Pooling and Servicing Agreement—Retirement” in this information circular.

Unless otherwise specified in the Pooling and Servicing Agreement, all net present value calculations and determinations made pursuant to the Pooling and Servicing Agreement with respect to the underlying mortgage loans or a mortgaged real property or REO Property (including for purposes of the definition of “Accepted Servicing

Practices") will be made in accordance with the loan documents or, in the event the loan documents are silent, using a discount rate appropriate for the type of cash flows being discounted, namely (a) for principal and interest payments on an underlying mortgage loan or the sale of a Defaulted Loan, the applicable mortgage interest rate and (b) for all other cash flows, including property cash flow, the "discount rate" set forth in the most recent related appraisal (or update of such appraisal).

"Actual/360 Basis" means the accrual of interest based on the actual number of days elapsed during each one-month accrual period in a year assumed to consist of 360 days.

"Additional Amounts" has the meaning assigned to such term under "Certain Federal Income Tax Considerations" in this information circular.

"Additional Issuing Entity Expense" means an expense (other than master servicer surveillance fees, master servicing fees, special servicer surveillance fees, sub-servicing fees, the Guarantee Fee, certificate administrator fees and trustee fees) of the issuing entity that—

- arises out of a default on an underlying mortgage loan or an otherwise unanticipated event affecting the issuing entity, whether or not related to a particular underlying mortgage loan;
- is not covered by a Servicing Advance, a corresponding collection from the related borrower or indemnification from another person; and
- to the extent that it is allocable to a particular underlying mortgage loan, is not covered by late payment charges or Default Interest collected on that underlying mortgage loan.

We provide some examples of Additional Issuing Entity Expenses under "Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses" in this information circular.

"Affiliated Borrower Special Servicer" has the meaning assigned to such term under "The Pooling and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties" in this information circular.

"Affiliated Borrower Special Servicer Loan" has the meaning assigned to such term under "The Pooling and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties" in this information circular.

"Affiliated Borrower Special Servicer Loan Event" has the meaning assigned to such term under "The Pooling and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties" in this information circular.

"Aggregate Annual Cap" means, with respect to any Third Party Master Servicer and certain indemnified subservicers, the Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap; with respect to any Third Party Special Servicer, the Third Party Special Servicer Aggregate Annual Cap; with respect to the trustee, the Trustee Aggregate Annual Cap; with respect to the certificate administrator and the custodian, the Certificate Administrator/Custodian Aggregate Annual Cap; and with respect to the depositor, the Depositor Aggregate Annual Cap; *provided*, that if the same person or entity is the trustee and the certificate administrator/custodian, Aggregate Annual Cap will refer to the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap, and not the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap.

"Aggregate Annual Cap Termination Date" means the earlier to occur of (i) the determination date in July 2019 and (ii) any determination date on which the Third Party Master Servicer determines that the aggregate amount of Unreimbursed Indemnification Expenses (with interest on such amounts) and other outstanding Servicing Advances (with interest on such amounts), debt service advances (with interest on such amounts), nonrecoverable advances (with interest on such amounts), Workout-Delayed Reimbursement Amounts (with interest on such amounts) and Additional Issuing Entity Expenses (excluding special servicing fees, liquidation fees and workout fees) equals or exceeds an amount equal to 50% of the outstanding principal balance of the mortgage pool on such determination date (after the application of all payments of principal and/or interest collected during the related Collection Period).

**“Appraised Value”** means for any mortgaged real property securing an underlying mortgage loan, the “as is” value estimate reflected in the most recent appraisal obtained by or otherwise in the possession of the mortgage loan seller except as described in Exhibit A-1 and/or the related footnotes as to any underlying mortgage loan with a “prospective value upon stabilization,” which value is estimated assuming satisfaction of projected re-tenanting or increased tenant occupancy conditions, or with an “as-complete” value, which value is estimated assuming completion of certain deferred maintenance.

In general, the amount of costs assumed by the appraiser for these purposes is based on—

- (i) an estimate by the individual appraiser;
- (ii) an estimate by the related borrower;
- (iii) the estimate set forth in the property condition assessment conducted in connection with the origination of the related underlying mortgage loan; or
- (iv) a combination of these estimates.

**“Asset Status Report”** means the report designated as such and described under, “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this information circular.

**“Assumed Final Distribution Date”** means, with respect to any class of certificates, the date set forth for such class in the table on page 5.

**“Available Distribution Amount”** means, with respect to any distribution date and either Certificate Group, amounts on deposit in the related distribution account available to make distributions on such Loan Group Certificates on that date, generally equal to (i) the sum of (a) the aggregate amount received on or with respect to the underlying mortgage loans and any related REO Properties in the related Loan Group on or prior to the related determination date, (b) the aggregate amount of revenues and other proceeds derived from REO Properties (net of amounts necessary for the proper operation, management, leasing, maintenance and disposition of such REO Properties) in the related Loan Group for such distribution date, (c) the aggregate amount of any P&I Advances for the related Loan Group Certificates, which P&I Advances will not include any master servicing fees, sub-servicing fees, master servicer surveillance fees and special servicer surveillance fees, made by the master servicer and/or the trustee, as applicable, for such distribution date, (d) [reserved], (e) any payments made by the master servicer to cover Prepayment Interest Shortfalls for the related Loan Group incurred during the related Collection Period, and (f) excess liquidation proceeds for the related Loan Group (but only to the extent that the Available Distribution Amount for such distribution date would be less than the amount distributable to the certificateholders on such distribution date), minus (ii)(a) all collected monthly payments for the related Loan Group due after the end of the related Collection Period, (b) all amounts payable or reimbursable from the collection account and the related distribution account pursuant to the terms of the Pooling and Servicing Agreement for the payment of certain expenses, fees and indemnities with respect to the related Loan Group, (c) all Yield Maintenance Charges and Static Prepayment Premiums, as applicable, with respect to the related Loan Group, (d) all amounts deposited in the collection account in error, (e) any net interest or net investment income on funds in the collection account, any REO account or Permitted Investments attributable to the related Loan Group and (f) excess liquidation proceeds.

The certificate administrator will apply the Available Distribution Amount with respect to each Certificate Group as described under “Description of the Certificates—Distributions” in this information circular to pay principal and accrued interest on the certificates on that date.

**“Balloon Guarantor Payment”** means, with respect to any distribution date and any class of Principal Balance Certificates, the amount of additional principal that would have been distributed to such class of Principal Balance Certificates if the Principal Distribution Amount for the related Loan Group Certificates had been increased by an amount equal to the aggregate amount of the Stated Principal Balance of each underlying Balloon Loan in the related Loan Group that reached its scheduled maturity date (without giving effect to any acceleration of principal of such underlying Balloon Loan by reason of a default and without regard to any grace period permitted by the related note or any modifications, waivers or amendments granted by the master servicer or the special servicer after the Closing Date) during the related Collection Period but as to which the related borrower failed to pay the entire outstanding principal balance of the underlying Balloon Loan in the related Loan Group, including the balloon payment by the end of such Collection Period (and with respect to which no final recovery determination has been

made prior to its scheduled maturity date); such aggregate amount not to exceed the total outstanding principal balance of the Principal Balance Certificates in such Certificate Group, as reduced by the Principal Distribution Amount to be applied in reduction of the outstanding principal balance of each class of Principal Balance Certificates in the related Certificate Group on such distribution date.

“Balloon Loan” means any underlying mortgage loan whose principal balance is not scheduled to be fully amortized by the underlying mortgage loan’s scheduled maturity date and thus requires a payment at such scheduled maturity date larger than the regular monthly debt service payment due on such underlying mortgage loan.

“Bankruptcy Code” means Title 11 of the United States Code, as amended.

“BBA” means The British Bankers’ Association.

“Business Day” means, any day other than a Saturday, a Sunday or any day on which banking institutions in the City and State of New York or the cities in which the principal offices of Freddie Mac, the certificate administrator, the custodian, any Third Party Master Servicer or any Third Party Special Servicer are located or the city in which the Corporate Trust Office of the trustee is located, are authorized or obligated by law, executive order or governmental decree to remain closed.

“Calculation Agent” means, for so long as any of the certificates remain outstanding, an agent appointed to calculate LIBOR with respect to the class A-G1 and A-G2 certificates. The Certificate Administrator will be the initial Calculation Agent.

“Cap Premium” means the portion of the purchase price of a class of Principal Balance Certificates allocated to the related Basis Risk Contract, as described under “Certain Federal Income Tax Consequences—Taxation of the Rights to Receive Additional Amounts” in this information circular.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

“Certificate Administrator/Custodian Aggregate Annual Cap” means \$300,000 per calendar year in the aggregate with respect to the certificate administrator and the custodian.

“Certificate Group” means with respect to any Loan Group, the related Loan Group Certificates.

“Class Final Guarantor Payment” means any payment made by the Guarantor in respect of clause 4 of the definition of Deficiency Amount.

“Closing Date” means the date of initial issuance for the certificates, which will be on or about November 28, 2017.

“CMBS” means commercial and multifamily mortgage-backed securities.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collection Period” means, with respect to any distribution date for the certificates, the related period commencing immediately following the determination date in the calendar month preceding the month in which such distribution date occurs and ending on and including the determination date in the calendar month in which such distribution date occurs, or, with respect to the first distribution date for the certificates, the period commencing on the Cut-off Date and ending on and including the determination date in December 2017.

“Consent Actions” has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Asset Status Report” in this information circular.

“Conservator” means FHFA, in its capacity as Freddie Mac’s conservator.

“Corrected Mortgage Loan” means any Specially Serviced Mortgage Loan that has become a performing mortgage loan, in accordance with its original term or as modified in accordance with the Pooling and Servicing

Agreement for three consecutive monthly payments, and that no other Servicing Transfer Event is continuing with respect to such Specially Serviced Mortgage Loan and the servicing of which has been returned to the master servicer; *provided* that no additional Servicing Transfer Event is foreseeable in the reasonable judgment of the special servicer.

“Cost Approach” means the determination of the value of a mortgaged real property arrived at by adding the estimated value of the land to an estimate of the current replacement cost of the improvements, and then subtracting depreciation from all sources.

“CPR” means an assumed constant rate of prepayment each month, which is expressed on a *per annum* basis, relative to the then-outstanding principal balance of a pool of mortgage loans for the life of those loans. The CPR model is the prepayment model that we use in this information circular.

“CREFC®” means the Commercial Real Estate Finance Council, an international trade organization for the commercial real estate capital markets.

“CREFC Investor Reporting Package®” means:

- (i) the following seven electronic files: (a) CREFC® Loan Setup File, (b) CREFC® Loan Periodic Update File, (c) CREFC® Property File, (d) CREFC® Bond Level File, (e) CREFC® Financial File, (f) CREFC® Collateral Summary File and (g) CREFC® Special Servicer Loan File;
- (ii) the following 11 supplemental reports: (a) CREFC® Delinquent Loan Status Report, (b) CREFC® Historical Loan Modification/Forbearance and Corrected Mortgage Loan Report, (c) CREFC® Historical Liquidation Loss Report, (d) CREFC® REO Status Report, (e) CREFC® Loan Level Reserve/LOC Report, (f) CREFC® Comparative Financial Status Report, (g) CREFC® Servicer Watchlist, (h) CREFC® Operating Statement Analysis Report, (i) CREFC® NOI Adjustment Worksheet, (j) CREFC® Reconciliation of Funds Report and (k) the CREFC® Advance Recovery Report; and
- (iii) such other reports as CREFC® may designate as part of the “CREFC Investor Reporting Package®” from time to time generally; or
- (iv) in lieu of (i), (ii) and (iii), such new CREFC Investor Reporting Package® as published by the CREFC® and consented to by Freddie Mac and the master servicer.

“CREFC® Website” means the website located at [www.crefc.org](http://www.crefc.org) or such other primary website as the CREFC® may establish for dissemination of its report forms.

“Crossed Loan” means any underlying mortgage loan that is cross-collateralized and cross-defaulted with any other underlying mortgage loan.

“Cut-off Date” means, with respect to each underlying mortgage loan, the applicable due date in November 2017 (which will be November 1, 2017, subject, in some cases, to a next succeeding business day convention).

“Cut-off Date Balance/Unit” means (i) with respect to any underlying mortgage loan, other than an underlying mortgage loan referred to in clause (ii), the ratio of (a) the Cut-off Date Principal Balance of the underlying mortgage loan, to (b) the Total Units at the related mortgaged real property; and (ii) with respect to any underlying mortgage loan that is secured, including through cross-collateralization, by multiple real properties (including each Crossed Loan), the ratio of (a) the aggregate Cut-off Date Principal Balance of the underlying mortgage loan and all other underlying mortgage loans and all other underlying mortgage loans with which it is cross-collateralized (including the underlying mortgage loans in the related Loan Group) to (b) the sum of the Total Units at all of the related mortgaged real properties.

“Cut-off Date Loan-to-Value Ratio” or “Cut-off Date LTV” means with respect to any underlying mortgage loan (including Crossed Loans) that is secured, including through cross-collateralization, by multiple real properties, the ratio of (i) the aggregate Cut-off Date Principal Balance of the underlying mortgage loan and all other underlying mortgage loans with which it is cross-collateralized (including the underlying loans in the related Loan Group), to (ii) the sum of the most recent Appraised Values of all related mortgaged real properties.

**Cut-off Date Principal Balance** or **Cut-off Date Loan Amount** means, with respect to any underlying mortgage loan, the outstanding principal balance of such underlying mortgage loan as of the Cut-off Date.

**Default Interest** means any interest that (i) accrues on a Defaulted Loan solely by reason of the subject default; and (ii) is in excess of all interest at the regular mortgage interest rate for the underlying mortgage loan.

**Defaulted Crossed Loan** has the meaning assigned to such term under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

**Defaulted Loan** means any underlying mortgage loan (i) that is at least 60 days delinquent in respect of its monthly payments, without giving effect to any grace period permitted by the related mortgage, loan agreement or mortgage note, (ii) that is delinquent in respect of its balloon payment, if any, without giving effect to any grace period permitted by the related mortgage, loan agreement or mortgage note or (iii) as to which any non-monetary event of default occurs that results in the underlying mortgage loan becoming a Specially Serviced Mortgage Loan, *provided, however,* that no monthly payment (other than a balloon payment) will be deemed delinquent if less than ten dollars of all amounts due and payable on such underlying mortgage loan has not been received.

**Deficiency Amount** means, with respect to any distribution date and any class of Guaranteed Certificates, the sum of (i) the amount, if any, by which the interest payable on such class of Guaranteed Certificates exceeds the amount of interest actually distributed to the holders of such Guaranteed Certificates on such distribution date, (ii) any Balloon Guarantor Payment for such class of Guaranteed Certificates, (iii) the amount, if any, of Realized Losses (including as a result of Additional Issuing Entity Expenses) allocated to such class of Principal Balance Certificates, and (iv) on the Assumed Final Distribution Date for any class of Principal Balance Certificates, the outstanding principal balance of such class on such Assumed Final Distribution Date (after giving effect to all amounts distributable and allocable to principal on such class but prior to giving effect to any Guarantor Payment including any Balloon Guarantor Payment for such class on such final distribution date).

**Depositor Aggregate Annual Cap** means \$300,000 per calendar year.

**Dodd-Frank Act** means The Dodd-Frank Wall Street Reform and Consumer Protection Act.

**ESA** means an environmental site assessment.

**Estimated Annual Operating Expenses** means, for each of the mortgaged real properties securing an underlying mortgage loan, the historical annual operating expenses for the property, adjusted upward or downward, as appropriate, to reflect, among other things, any expense modifications made as discussed below.

For purposes of calculating the Estimated Annual Operating Expenses for any mortgaged real property securing an underlying mortgage loan:

- (i) the “historical annual operating expenses” for that property normally consist of historical expenses that were generally obtained/estimated—
  - (a) from operating statements relating to a complete fiscal year of the borrower for the prior three calendar years or a trailing 12-month period ended in one such year,
  - (b) by annualizing the most recent partial calendar year amount of operating expenses for which operating statements were available, with adjustments for some items deemed inappropriate for annualization,
  - (c) by calculating a stabilized estimate of operating expenses which takes into consideration historical financial statements and material changes in the operating position of the property, such as newly signed leases and market data, or
  - (d) if the property was recently constructed, by calculating an estimate of operating expenses based on the appraisal of the property or market data; and
- (ii) the “expense modifications” made to the historical annual operating expenses for that property often include—
  - (a) assuming, in most cases, that a management fee, equal to approximately 2.5% to 5.0% of total

- revenues, was payable to the property manager,
- (b) adjusting historical expense items upwards or downwards to reflect inflation and/or industry norms for the particular type of property,
  - (c) the underwritten recurring replacement reserve amounts, and
  - (d) adjusting historical expenses downwards by eliminating various items which are considered non-recurring in nature or which are considered capital improvements, including recurring capital improvements.

The amount of any underwritten recurring replacement reserve amounts and/or underwritten leasing commissions and tenant improvements for each of the mortgaged real properties securing an underlying mortgage loan is shown in the table titled "Engineering Reserves and Recurring Replacement Reserves" on Exhibit A-1. The underwritten recurring replacement reserve amounts shown on Exhibit A-1 are expressed as dollars per unit.

By way of example, Estimated Annual Operating Expenses generally include—

- (i) salaries and wages;
- (ii) the costs or fees of—
  - (a) utilities,
  - (b) repairs and maintenance,
  - (c) replacement reserves,
  - (d) marketing,
  - (e) insurance,
  - (f) management,
  - (g) landscaping, and/or
  - (h) security, if provided at the property, and
- (iii) the amount of taxes, general and administrative expenses and other costs.

Estimated Annual Operating Expenses generally do not reflect, however, any deductions for debt service, depreciation and amortization or capital expenditures or reserves for any of those items, except as described above.

Estimated Annual Operating Expenses for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual operating expenses for such mortgaged real property to differ materially from the Estimated Annual Operating Expenses set forth in this information circular. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including future expense levels, which will be affected by a variety of complex factors over which none of the depositor, the mortgage loan seller, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Estimated Annual Operating Expenses for any mortgaged real property are lower, and may be materially lower, than the annual operating expenses for that mortgaged real property based on historical operating statements. In determining the Estimated Annual Operating Expenses for a mortgaged real property, the mortgage loan seller in most cases relied on generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller in determining the Estimated Annual Operating Expenses.

"Estimated Annual Revenues" generally means, for each of the mortgaged real properties securing an underlying mortgage loan, the base estimated annual revenues for the property, adjusted upward or downward, as appropriate, to reflect any revenue modifications made as discussed below.

For purposes of calculating the Estimated Annual Revenues for any mortgaged real property securing an underlying mortgage loan:

- (i) the “base estimated annual revenues” for that property were generally assumed to equal the annualized amounts of gross potential rents; and
- (ii) the “revenue modifications” made to the base estimated annual revenues for that property often include—
  - (a) adjusting the revenues downwards by applying a combined vacancy and rent loss, including concessions, adjustment that reflected then current occupancy or, in some cases, a stabilized occupancy or, in some cases, an occupancy that was itself adjusted for historical trends or market rates of occupancy with consideration to competitive properties,
  - (b) adjusting the revenues upwards to reflect, in the case of some tenants, increases in base rents scheduled to occur during the following 12 months,
  - (c) adjusting the revenues upwards for estimated income consisting of, among other items, late fees, laundry income, application fees, cable television fees, storage charges, electrical pass throughs, pet charges, janitorial services, furniture rental and parking fees, and
  - (d) adjusting the revenues downwards in some instances where rental rates were determined to be significantly above market rates and the subject space was then currently leased to tenants that did not have long term leases or were believed to be unlikely to renew their leases.

Estimated Annual Revenues for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual revenues for such mortgaged real property to differ materially from the Estimated Annual Revenues set forth in this information circular. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including the re-leasing of vacant space and the continued leasing of occupied spaces, which will be affected by a variety of complex factors over which none of the depositor, the mortgage loan seller, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Estimated Annual Revenues for any mortgaged real property are higher, and may be materially higher, than the annual revenues for that mortgaged real property based on historical operating statements. In determining the Estimated Annual Revenues for a mortgaged real property, the mortgage loan seller in most cases relied on rent rolls and/or generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller in determining the Estimated Annual Revenues.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

**“Fannie Mae”** means the Federal National Mortgage Association.

**“FHFA”** means the Federal Housing Finance Agency.

**“Fidelity Insurance”** has the meaning assigned to such term under “The Pooling and Servicing Agreement—Liability of the Servicers” in this information circular.

**“Fitch”** means Fitch Ratings, Inc., and its successors-in-interest.

**“Freddie Mac”** means Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States created and existing under Title III of the Emergency Home Finance Act of 1970, as amended, or any successor to it (“FHLMC”), or certain of its affiliates, if any, who assume certain obligations or are assigned certain rights under the Pooling and Servicing Agreement, as described under “Description of the Mortgage Loan Seller and Guarantor—Proposed Operation of Multifamily Mortgage Business on a Stand-Alone Basis” in this information circular; *provided, however,* that “Freddie Mac” means FHLMC with respect to its obligations as (i) mortgage loan seller pursuant to the mortgage loan purchase agreement and the Pooling and Servicing Agreement; and (ii) Guarantor pursuant to the Freddie Mac Guarantee.

**“Freddie Mac Act”** means Title III of the Emergency Home Finance Act of 1970, as amended.

**“Freddie Mac Guarantee”** means obligations of the Guarantor as described under “Description of the Certificates—Distributions—Freddie Mac Guarantee” in this information circular.

**“Freddie Mac Servicing Practices”** means, with regard to the servicing of the underlying mortgage loans and/or REO Properties by the master servicer, any sub-servicer or the special servicer, and only to the extent such practices have been made available in writing or communicated in writing by Freddie Mac to the Third Party Master Servicer, such sub-servicer or the Third Party Special Servicer, as applicable, servicing and administering the underlying mortgage loans and/or REO Properties in the same manner in which, and with the same care, skill, prudence and diligence with which, Freddie Mac services and administers multifamily mortgage loans owned by it, which will include, without limitation, servicing and administering the underlying mortgage loans and/or REO Properties in accordance with the Guide and any Freddie Mac written policies, procedures or other communications made available in writing by Freddie Mac to the Third Party Master Servicer, any sub-servicer or the Third Party Special Servicer, as applicable, including written communications from Freddie Mac as servicing consultant, pursuant to the Pooling and Servicing Agreement.

**“GAAP”** means generally accepted accounting principles.

**“Grantor Trust”** has the meaning assigned to such term under “Certain Federal Income Tax Consequences—Characterization of the Issuing Entity” in this information circular.

**“Grantor Trust Provisions”** has the meaning assigned to such term under “Certain Federal Income Tax Consequences—Characterization of the Issuing Entity” in this information circular.

**“Guarantee Fee”** means, for any distribution date and with respect to the Guaranteed Certificates, the fee payable to the Guarantor in respect of its services as Guarantor, which fee accrues at the Guarantee Fee Rate on a balance equal to the total outstanding principal balance of the Principal Balance Certificates immediately prior to such distribution date. The Guarantee Fee will accrue on an Actual/360 Basis and will be based on the number of days in the related Interest Accrual Period for the Guaranteed Certificates.

**“Guarantee Fee Rate”** means the guarantee fee rates set forth in “Description of the Certificates—Fees and Expenses” in this information circular.

**“Guaranteed Certificates”** means the class A-G1, A-G2 and X-G1 and X-G2 certificates.

**“Guarantor”** means Freddie Mac, in its capacity as the Guarantor of the Guaranteed Certificates.

**“Guarantor Payment”** means any payment made by the Guarantor in respect of a Deficiency Amount.

**“Guarantor Reimbursement Amount”** means, with respect to any distribution date and any class of Guaranteed Certificates, the sum of all amounts paid by the Guarantor in respect of Deficiency Amounts for such class of Guaranteed Certificates on such distribution date and on all prior distribution dates, to the extent not previously reimbursed (including from collections in respect of any mortgage loan on which a Balloon Guarantor Payment was made).

**“Guarantor Reimbursement Interest Amount”** means, with respect to any distribution date and any class of Guaranteed Certificates, interest on any Guarantor Reimbursement Amount for such class of Guaranteed Certificates at a *per annum* rate for each day (calculated on a daily basis) equal to the Prime Rate for such day plus 2.00%, calculated using the same interest accrual basis as such class of Guaranteed Certificates.

**“Guarantor Timing Reimbursement Amount”** means, with respect to any distribution date and the Principal Balance Certificates, the portion of any Guarantor Reimbursement Amount related to any Timing Guarantor Payment for the Principal Balance Certificates, together with any related Timing Guarantor Interest.

**“Guide”** means the Freddie Mac Multifamily Seller/Servicer Guide, as amended or supplemented from time to time. To the extent the Freddie Mac Multifamily Seller/Servicer Guide is no longer published by Freddie Mac, either directly or indirectly, “Guide” will refer to any successor guide as prescribed by Freddie Mac, which will be provided by Freddie Mac upon request if not otherwise reasonably accessible to the parties to the Pooling and Servicing Agreement; *provided, however,* that in the event that no successor guide is prescribed by Freddie Mac

within 90 days of the date on which the Guide is no longer published by Freddie Mac, all references to the “Guide” in the Pooling and Servicing Agreement will be disregarded and the Guide will no longer be applicable. For purposes of the Pooling and Servicing Agreement, the term “Guide” will not include any form referenced in the Freddie Mac Multifamily Seller/Servicer Guide. Such forms will be applicable at the option of the master servicer, the special servicer or any sub-servicer.

“HUD” means the United States Department of Housing and Urban Development.

“Hybrid ARM” means, with respect to any underlying mortgage loan, that such underlying mortgage loan has a mortgage interest rate that, in the absence of default, is fixed for an initial period that expires 120 months following the origination date of such underlying mortgage loan in Loan Group 1 and 126 months following the origination date of such underlying mortgage loan in Loan Group 2, following the origination date of such underlying mortgage loan and thereafter, so long as no event of default has occurred, the maturity date for each underlying mortgage loan will automatically be extended for 12 months, during which term, the interest rate is adjustable on monthly loan reset dates for such underlying mortgage loan.

“IBA” means Intercontinental Exchange Benchmark Administration Limited, or any successor to it.

“Income Approach” means the determination of the value of a mortgaged real property by using the discounted cash flow method of valuation or by the direct capitalization method. The discounted cash flow analysis is used in order to measure the return on a real estate investment and to determine the present value of the future income stream expected to be generated by the mortgaged real property. The future income of the mortgaged real property, as projected over an anticipated holding period, and the resulting net operating incomes or cash flows are then discounted to present value using an appropriate discount rate. The direct capitalization method generally converts an estimate of a single year’s income expectancy, or, in some cases, a hypothetical stabilized single year’s income expectancy, into an indication of value by dividing the income estimate by an appropriate capitalization rate. An applicable capitalization method and appropriate capitalization rates are developed for use in computations that lead to an indication of value. In utilizing the Income Approach, the appraiser’s method of determination of gross income, gross expense and net operating income for the subject property may vary from the method of determining Underwritten Net Operating Income for that property, resulting in variances in the related net operating income values.

“Interest Accrual Period” means, (i) with respect to the class A-G1 and A-G2 certificates and the first distribution date, the period commencing on the Closing Date and ending on December 24, 2017, (ii) with respect to the class A-G1 and A-G2 certificates and any distribution date thereafter, the period commencing on and including the 25th day of the month preceding the month in which such distribution date occurs and ending on and including the 24th day of the month in which such distribution date occurs, (iii) with respect to the class X-G1 and X-G2 certificates and any distribution date, the calendar month preceding such distribution date and (iv) with respect to any underlying mortgage loan and any due date, the calendar month immediately preceding the month in which such due date occurs.

“Investment Company Act” means the Investment Company Act of 1940, as amended.

“IRS” means the Internal Revenue Service.

“Junior Loan” has the meaning assigned to such term under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt—Permitted Subordinate Mortgage Debt” in this information circular.

“Junior Loan Holder” means the holder of the most subordinate Junior Loan as described under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans— Permitted Additional Debt—Permitted Subordinate Mortgage Debt” in this information circular.

“KBRA” means Kroll Bond Rating Agency, Inc. and its successors-in-interest.

**“LIBOR”** has the meaning assigned to such term under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Mortgage Interest Rates; Calculations of Interest” in this information circular.

**“LIBOR Determination Date”** has the meaning assigned to such term under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Mortgage Interest Rates; Calculations of Interest” in this information circular.

**“LIBOR Index Page”** has the meaning assigned to such term under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Mortgage Interest Rates; Calculations of Interest” in this information circular.

**“Liquidation Proceeds”** means cash amounts (other than income, rents and profits derived from the ownership, operation or leasing of an REO Property) actually received, net of expenses, in connection with (i) the liquidation of a mortgaged real property or other collateral constituting security for a Defaulted Loan, through trustee’s sale, foreclosure sale, REO disposition or otherwise, exclusive of any portion of cash amounts required to be released to the related borrower; (ii) the realization upon any deficiency judgment obtained against a borrower; (iii) the purchase of a Defaulted Loan by Freddie Mac (or any assignee) or the Junior Loan Holder in accordance with the Pooling and Servicing Agreement; (iv) the repurchase or replacement of an underlying mortgage loan by or on behalf of the mortgage loan seller in connection with a defect in any mortgage file or a breach of any of its representations and warranties; (iv) the repurchase or replacement of an underlying mortgage loan by or on behalf of the mortgage loan seller pursuant to defect in any mortgage file or a breach of any of its representations and warranties; or (v) the purchase of all of the underlying mortgage loans and REO Properties remaining in the issuing entity by Freddie Mac, any Third Party Master Servicer or any Third Party Special Servicer pursuant to the terms of the Pooling and Servicing Agreement.

**“Loan Group”** means either of Loan Group 1 or Loan Group 2.

**“Loan Group Certificates”** means the Loan Group 1 Certificates or the Loan Group 2 Certificates, as applicable.

**“Loan Group 1”** means all of the underlying mortgage loans labeled as “Group 1” as set forth in Exhibit A-1.

**“Loan Group 1 Certificates”** means the class A-G1 and X-G1 certificates.

**“Loan Group 2”** means any of the underlying mortgage loans labeled as “Group 2” as set forth in Exhibit A-1.

**“Loan Group 2 Certificates”** means the class A-G2 and X-G2 certificates.

**“Maturity Balance”** means, with respect to any underlying mortgage loan, the outstanding principal balance of the underlying mortgage loan immediately prior to its maturity, according to the payment schedule for the underlying mortgage loan and otherwise assuming no prepayments, defaults or extensions.

**“Maturity Loan-to-Value Ratio”** or **“Maturity LTV”** means (i) with respect to any underlying mortgage loan, other than an underlying mortgage loan referred to clause (ii)the ratio of (a) the Maturity Balance of the underlying mortgage loan, to (b) the most recent Appraised Value of the related mortgaged real property; and (ii) with respect to any underlying mortgage loan that is secured, including through cross-collateralization with other mortgage loans, by multiple real properties, the ratio of (a) the aggregate Maturity Balance of the underlying mortgage loan and all other underlying mortgage loans with which it is cross-collateralized, to (b) the sum of the most recent Appraised Values of all related mortgaged real properties.

**“Modeling Assumptions”** means, collectively, the following assumptions regarding the certificates and the underlying mortgage loans:

- (i) the underlying mortgage loans have the characteristics set forth on Exhibit A-1, the initial Loan Group 1 balance is approximately \$500,000,000 and the initial Loan Group 2 balance is approximately \$500,000,000;
- (ii) the initial principal balance or notional amount, as the case may be, of each class of certificates is as described in this information circular;

- (iii) the pass-through rate for each class of certificates is as described in this information circular;
- (iv) LIBOR remains constant at 1.2500%;
- (v) there are no delinquencies, modifications or losses with respect to the underlying mortgage loans;
- (vi) all extension options are exercised with respect to the applicable underlying mortgage loans;
- (vii) no underlying mortgage loan is a Specially Serviced Mortgage Loan;
- (viii) there are no modifications, extensions (other than the extension to the respective extended maturity dates as provided in the underlying mortgage loan documents), waivers or amendments affecting the monthly debt service or balloon payments by the borrowers on the underlying mortgage loans;
- (ix) there are no Appraisal Reduction Amounts with respect to the underlying mortgage loans;
- (x) there are no casualties or condemnations affecting the corresponding mortgaged real properties;
- (xi) each of the underlying mortgage loans provides monthly debt service payments to be due on the first day of each month, regardless of whether the subject date is a business day or not;
- (xii) monthly debt service payments on the underlying mortgage loans are timely received on their respective due dates in each month, regardless of whether the subject date is a business day or not;
- (xiii) no voluntary or involuntary prepayments are received as to any underlying mortgage loan during that underlying mortgage loan's prepayment lockout period, including any Yield Maintenance Period or Static Prepayment Premium Period;
- (xiv) except as otherwise assumed in clause (xii) above, prepayments are made on each of the underlying mortgage loans at the indicated CPRs set forth in the subject tables or other relevant part of this information circular, without regard to any limitations in the underlying mortgage loans on partial voluntary principal prepayments;
- (xv) all prepayments on the underlying mortgage loans are assumed to be (a) accompanied by a full month's interest, and (b) received on the applicable due date of the relevant month;
- (xvi) no person or entity entitled under the Pooling and Servicing Agreement exercises its right of optional retirement as described under "The Pooling and Servicing Agreement—Retirement" in this information circular;
- (xvii) none of the underlying mortgage loans is required to be repurchased or replaced by the mortgage loan seller or any other person, as described under "Description of the Underlying Mortgage Loans—Cures, Repurchases and Substitutions" in this information circular;
- (xviii) the Administration Fee Rate is as set forth on Exhibit A-1 and the only other issuing entity expenses are the Guarantee Fee;
- (xix) there are no Additional Issuing Entity Expenses;
- (xx) payments on the offered certificates are made on the 25th day of each month, commencing in December 2017; and
- (xxi) the offered certificates are settled on an assumed settlement date of November 28, 2017.

"Moody's" means Moody's Investors Service, Inc., and its successors-in-interest.

"Morningstar" means Morningstar Credit Ratings, LLC, and its successors-in-interest.

"Most Recent EGI" generally means, for any mortgaged real property that secures an underlying mortgage loan, the revenues received (effective gross income), or annualized or estimated in some cases, in respect of the property for the 12-month period ended as of the Most Recent Financial End Date, based on the latest available annual or, in some cases, partial-year operating statement and other information furnished by the related borrower. For purposes of the foregoing, revenues generally consist of all revenues received in respect of the property, including rental and other revenues.

In determining the Most Recent EGI for any property, the mortgage loan seller may have made adjustments to the financial information provided by the related borrower similar to those used in calculating the Estimated Annual Revenues for that property.

Most Recent EGI for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual revenues for such mortgaged real property to differ materially from the Most Recent EGI set forth in this information circular. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including the re-leasing of vacant space and the continued leasing of occupied spaces, which will be affected by a variety of complex factors over which none of the depositor, the mortgage loan seller, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Most Recent EGI for any mortgaged real property are higher, and may be materially higher, than the annual revenues for that mortgaged real property based on historical operating statements. In determining the Most Recent EGI for a mortgaged real property, the mortgage loan seller in most cases relied on rent rolls and/or generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller in determining the Most Recent EGI.

**“Most Recent Expenses”** means, for any mortgaged real property that secures an underlying mortgage loan, the expenses incurred, or annualized or estimated in some cases, for the property for the 12-month period ended as of the most recent operating statement date, based on the latest available annual or, in some cases, partial-year operating statement and other information furnished by the related borrower.

Expenses generally consist of all expenses incurred for the property, including—

- (i) salaries and wages,
- (ii) the costs or fees of—
  - (a) utilities,
  - (b) repairs and maintenance,
  - (c) marketing,
  - (d) insurance,
  - (e) management,
  - (f) landscaping, and/or
  - (g) security, if provided at the property, and
- (iii) the amount of—
  - (a) real estate taxes,
  - (b) general and administrative expenses, and
  - (c) other costs.

For purposes of the foregoing, expenses do not reflect, however, any deductions for debt service, depreciation, amortization or capital expenditures.

In determining the Most Recent Expenses for any property, the mortgage loan seller may have made adjustments to the financial information provided by the related borrower similar to those used in calculating the Estimated Annual Operating Expenses for that property. Most Recent Expenses for each mortgaged real property are calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual operating expenses for such mortgaged real property to differ materially from the Most Recent Expenses set forth in this information circular. Some assumptions and subjective judgments relate to future events, conditions and circumstances, including future expense levels, which will be affected by a variety of complex factors over which none of the depositor, the mortgage loan seller, the master servicer, the special servicer, the certificate administrator or the trustee have control. In some cases, the Most Recent Expenses for any mortgaged real property are lower, and may be materially lower, than the annual operating expenses for that mortgaged real

property based on historical operating statements. In determining the Most Recent Expenses for a mortgaged real property, the mortgage loan seller in most cases relied on generally unaudited financial information provided by the respective borrowers. No assurance can be given with respect to the accuracy of the information provided by any borrowers, or the adequacy of any procedures used by the mortgage loan seller in determining the Most Recent Expenses.

**“Most Recent Financial End Date”** means, with respect to each of the underlying mortgage loans, the date indicated on Exhibit A-1 as the Most Recent Financial End Date with respect to that mortgage loan. In general, this date is the end date of the period covered by the latest available annual or, in some cases, partial-year operating statement for the related mortgaged real property.

**“Most Recent NCF”** or **“Most Recent Net Cash Flow”** means, with respect to each mortgaged real property that secures an underlying mortgage loan, the Most Recent Net Operating Income, less the most recent replacement reserve amounts.

**“Most Recent NOI”** or **“Most Recent Net Operating Income”** means, with respect to each of the mortgaged real properties that secures an underlying mortgage loan, the total cash flow derived from the mortgaged real property that was available for annual debt service on the related underlying mortgage loan, calculated as the Most Recent EGI less Most Recent Expenses for that property.

**“Net Aggregate Prepayment Interest Shortfall”** means, with respect to either Loan Group and any distribution date, the excess, if any, of (i) the total Prepayment Interest Shortfalls incurred with respect to such Loan Group during the related Collection Period, over (ii) the sum of (a) the total payments made by the master servicer to cover any Prepayment Interest Shortfalls with respect to such Loan Group incurred during the related Collection Period; and (b) the total Prepayment Interest Excesses with respect to such Loan Group collected during the related Collection Period that are applied to offset Prepayment Interest Shortfalls with respect to such Loan Group incurred during the related Collection Period.

The master servicer will not make payments to cover, or apply Prepayment Interest Excesses received on the underlying mortgage loans to offset, Prepayment Interest Shortfalls incurred with respect to the underlying mortgage loans.

**“Net Mortgage Interest Rate”** has the meaning assigned to such term under “Summary of Information Circular—Transaction Overview” in this information circular.

**“Net Mortgage Pass-Through Rate”** has the meaning assigned to such term under “Summary of Information Circular—Transaction Overview” in this information circular.

**“Nonrecoverable Advance”** means any Nonrecoverable P&I Advance or Nonrecoverable Servicing Advance or any portion of such Nonrecoverable P&I Advance or Nonrecoverable Servicing Advance.

**“Nonrecoverable P&I Advance”** has the meaning assigned to such term under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

**“Nonrecoverable Servicing Advance”** has the meaning assigned to such term under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this information circular.

**“NRSRO”** means a nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act.

**“Offered Certificates”** means the class A-G1, A-G2, X-G1 and X-G2 certificates.

**“Option Purchase Price”** means the cash price at which any Defaulted Loan may be purchased under the related Purchase Option, as described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans” in this information circular.

“Original Net Mortgage Interest Rate” has the meaning assigned to such term under “Summary of Information Circular—Transaction Overview” in this information circular.

“Originator” has the meaning assigned to such term under “Description of the Mortgage Loan Seller and Guarantor—The Mortgage Loan Seller and Guarantor” in this information circular.

“P&I Advance” has the meaning assigned to such term under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

“Permitted Encumbrances” means, with respect to any mortgaged real property securing an underlying mortgage loan, any and all of the following—

- (i) the lien of current real property taxes, water charges, sewer rents and assessments not yet delinquent or accruing interest or penalties,
- (ii) covenants, conditions and restrictions, rights of way, easements and other matters that are of public record,
- (iii) exceptions and exclusions specifically referred to in the related lender’s title insurance policy or, if that policy has not yet been issued, referred to in a *pro forma* title policy or marked-up commitment, which in either case is binding on the subject title insurance company,
- (iv) other matters to which like properties are commonly subject,
- (v) the rights of tenants, as tenants only, under leases, including subleases, pertaining to the related mortgaged real property, and
- (vi) if the subject mortgaged real property is a unit in a condominium, the related condominium declaration.

“Permitted Investments” means the U.S. government securities and other obligations specified in the Pooling and Servicing Agreement.

“Permitted Transfer” means any Requested Transfer as to which the related borrower satisfies (without modification or waiver) all the applicable requirements in the related loan documents, provided that such satisfaction is determined without requiring the exercise of discretion by any Third Party Master Servicer or any Third Party Special Servicer.

“Placement Agent Entities” means the placement agents for the SPCs and their respective affiliates.

“Pooling and Servicing Agreement” means the pooling and servicing agreement, to be dated as of November 1, 2017, among Morgan Stanley Capital I Inc., as depositor, Freddie Mac, as master servicer, special servicer and guarantor, and U.S. Bank, as trustee, certificate administrator and custodian.

“Prepayment Assumption” means an assumption that there are no prepayments and no extensions of the underlying mortgage loans.

“Prepayment Interest Excess” means, with respect to any full or partial prepayment of an underlying mortgage loan made by the related borrower or otherwise in connection with a casualty or condemnation during any Collection Period after the due date for that underlying mortgage loan, the amount of any interest collected on that prepayment for the period from and after that due date, less the amount of master servicer surveillance fees (if any), special servicer surveillance fees (if any), master servicing fees and sub-servicing fees payable from that interest collection, and exclusive of any Default Interest included in that interest collection.

“Prepayment Interest Shortfall” means, with respect to any full or partial prepayment of an underlying mortgage loan made by the related borrower that is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment or otherwise in connection with a casualty or condemnation during any Collection Period prior to the due date for that underlying mortgage loan, the amount of any uncollected interest that would have accrued on that prepayment to, but not including, such due date, less the amount of master servicer surveillance fees (if any), special servicer surveillance fees (if any), master servicing fees and sub-servicing fees that would have been payable from that uncollected interest, and exclusive of any portion of that uncollected interest that would have been Default Interest.

**“Prime Rate”** means an annual rate equal to the “prime rate” as published in the “Money Rates” section of *The Wall Street Journal* (or, if such section or publication is no longer available, such other comparable publication as is determined by the certificate administrator in its sole discretion, in consultation with the master servicer) as may be in effect from time to time (or if the “Prime Rate” is not published on any calculation date, then the “Prime Rate” for such day will be the most recently published “Prime Rate” prior to such calculation date), or if the “Prime Rate” no longer exists, such other comparable rate (as determined by the certificate administrator, in its reasonable discretion, in consultation with the master servicer) as may be in effect from time to time. If the certificate administrator and the master servicer cannot agree on a comparable publication or comparable rate, the certificate administrator will have the sole right to determine such publication or rate; *provided however*, that any time Freddie Mac is the master servicer, the master servicer will have the sole right to determine such publication or rate.

**“Principal Balance Certificates”** means the class A-G1 and A-G2 certificates.

**“Principal Distribution Adjustment Amount”** means, with respect to any distribution date, the sum of (i) the amount of any Nonrecoverable Advance that was reimbursed to the master servicer or the trustee since the preceding distribution date (or since the Closing Date, in the case of the first distribution date), and that was deemed to have been so reimbursed out of any collections of principal that would otherwise constitute part of the Principal Distribution Amount for such distribution date (as described in this information circular under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments,” as applicable), (ii) any Workout-Delayed Reimbursement Amount that was reimbursed to the master servicer or the trustee since the preceding distribution date (or since the Closing Date, in the case of the first distribution date) and that was deemed to have been so reimbursed out of any collections of principal that would otherwise constitute part of the Principal Distribution Amount for such distribution date (as described in this information circular under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses” or “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments,” as applicable) and (iii) any principal collections for the related Collection Period used to reimburse Balloon Guarantor Payments or other unreimbursed Guarantor Reimbursement Amounts since the preceding distribution date pursuant to the terms of the Pooling and Servicing Agreement.

**“Principal Distribution Amount”** means:

- (i) for either Certificate Group for any distribution date prior to the final distribution date, an amount equal to the total, without duplication, of the following
  - (a) all payments of principal, including voluntary principal prepayments, received by or on behalf of the issuing entity with respect to the underlying mortgage loans in the related Loan Group during the related Collection Period, exclusive of any of those payments that represents a late collection of principal for which an advance was previously made for a prior distribution date or that represents a monthly payment of principal due on or before the Cut-off Date or on a due date for the related underlying mortgage loan subsequent to the end of the related Collection Period,
  - (b) all monthly payments of principal received by or on behalf of the issuing entity with respect to the underlying mortgage loans in the related Loan Group prior to, but that are due during, the related Collection Period,
  - (c) all other collections, including Liquidation Proceeds, condemnation proceeds and insurance proceeds that were received by or on behalf of the issuing entity with respect to any of the underlying mortgage loans or any related REO Properties in the related Loan Group during the related Collection Period and that were identified and applied as recoveries of principal of the subject underlying mortgage loan or, in the case of an REO Property, of the related underlying mortgage loan, in each case net of any portion of the particular collection that represents a late collection of principal for which an advance of principal was previously made for a prior distribution date or that represents a monthly payment of principal due on or before the Cut-off Date, and
  - (d) all advances of principal made with respect to the underlying mortgage loans in the related Loan Group for that distribution date; and

(ii) for the final distribution date, an amount equal to the total Stated Principal Balance of the related Loan Group outstanding immediately prior to that final distribution date.

However, the Principal Distribution Amount will be reduced on any distribution date by an amount equal to the Principal Distribution Adjustment Amount for the related Certificate Group calculated with respect to such distribution date. The Principal Distribution Amount will be increased on any distribution date by the amount of any recovery occurring during the related Collection Period of an amount that was previously advanced with respect to any underlying mortgage loan in the related Loan Group, but only if and to the extent such advance was previously reimbursed from principal collections that would otherwise have constituted part of the Principal Distribution Amount for such Certificate Group for a prior distribution date in a manner that resulted in a Principal Distribution Adjustment Amount for such Certificate Group for such prior distribution date. In addition, if any insurance proceeds, condemnation proceeds or Liquidation Proceeds were received and/or a final recovery determination were made with respect to any underlying mortgage loan in such Loan Group during any particular Collection Period, then the portion of the Principal Distribution Amount for such Certificate Group for the related distribution date that is otherwise allocable to that underlying mortgage loan will be reduced (to not less than zero) by any special servicing fees or liquidation fees payable in connection therewith.

**“Privileged Person”** means each party to the Pooling and Servicing Agreement and, upon receipt by the certificate administrator of an investor certification in the form required by the Pooling and Servicing Agreement, each holder, beneficial owner or prospective purchaser of a certificate or an SPC and, upon receipt of a certification from an NRSRO substantially in the form as provided in the Pooling and Servicing Agreement, any NRSRO that does not have a conflict of interest identified in paragraph (b)(9) of Rule 17g-5 and that has been engaged by a certificateholder or a holder of an SPC, which NRSRO has provided, or will provide, an on-going rating to a class of certificates after the Closing Date and that is requesting access to such information solely for the purpose of assessing or reaffirming such on-going rating. Any Privileged Person that is a borrower or an affiliate of a borrower, as evidenced by the information set forth in the investor certification, will only be entitled to limited information as described in “Description of the Certificates—Reports to Certificateholders and Freddie Mac; Available Information” in this information circular.

**“Purchase Agreement”** means the senior preferred stock purchase agreement between FHFA, as Conservator of Freddie Mac, and Treasury.

**“Purchase Option”** means, with respect to any Defaulted Loan, the purchase option described under “The Pooling and Servicing Agreement—Realization Upon Mortgage Loans—Purchase Option” in this information circular.

**“Purchase Price”** means, with respect to any underlying mortgage loan if it is to be purchased as contemplated under the Pooling and Servicing Agreement, a price equal to the outstanding principal balance of such underlying mortgage loan, plus (i) accrued and unpaid interest on such underlying mortgage loan through and including the end of the related mortgage interest accrual period in which such purchase is made (which would include accrued and unpaid master servicer surveillance fees, special servicer surveillance fees, master servicing fees and sub-servicing fees), (ii) related special servicing fees and, if applicable, liquidation fees payable to the special servicer (to the extent accrued and unpaid or previously paid by the issuing entity), (iii) all related unreimbursed Servicing Advances or Additional Issuing Entity Expenses, (iv) all related Servicing Advances that were previously reimbursed from general collections on the related Loan Group, (v) all accrued and unpaid interest on related Servicing Advances and P&I Advances, (vi) all interest on related Servicing Advances and P&I Advances that was previously reimbursed from general collections on the related Loan Group, (vii) solely if such underlying mortgage loan is being purchased by the related borrower or an affiliate of such borrower, all Default Interest, late payment fees, extension fees and similar fees or charges incurred with respect to such underlying mortgage loan and all out-of-pocket expenses reasonably incurred (whether paid or then owing) by the master servicer, the special servicer, the depositor, the custodian, the certificate administrator and the trustee in respect of such purchase, including, without duplication of any amounts described above in this definition, any expenses incurred prior to such purchase date with respect to such underlying mortgage loan, and (viii) solely if such underlying mortgage loan is being purchased by or on behalf of the mortgage loan seller pursuant to or as contemplated by Section 7 of the mortgage loan purchase agreement, all out-of-pocket expenses reasonably incurred (whether paid or then owing) by any Third Party Master Servicer, any Third Party Special Servicer, the depositor, the certificate administrator, the custodian and the trustee in respect of the breach or defect giving rise to the repurchase obligation, including any expenses

arising out of the enforcement of the repurchase obligation, any expenses incurred by Freddie Mac in its capacity as master servicer or special servicer for which Freddie Mac has already been reimbursed and, without duplication of any amounts described above in this definition, any expenses incurred prior to such purchase date with respect to such underlying mortgage loan.

**“Qualified Substitute Mortgage Loan”** means a mortgage loan in the same lien position as the deleted underlying mortgage loan that must, on the date of substitution: (i) have an outstanding principal balance, after application of all scheduled payments of principal and/or interest due during or prior to the month of substitution not in excess of the Stated Principal Balance of the deleted underlying mortgage loan as of the due date in the calendar month during which the substitution occurs; (ii) prior to its first loan reset date have a mortgage interest rate not less than the mortgage interest rate of the deleted underlying mortgage loan prior to its first loan reset date, and on or after its first loan reset date have an interest rate margin over LIBOR not less than the interest rate margin over LIBOR of the deleted underlying mortgage loan; (iii) have the same due date as the deleted underlying mortgage loan; (iv) accrue interest on the same basis as the deleted underlying mortgage loan (for example, on the basis of a 360-day year and the actual number of days elapsed); (v) have a remaining term to stated maturity not greater than, the remaining term to stated maturity of the deleted underlying mortgage loan; (vi) have an original loan-to-value ratio not higher than that of the deleted underlying mortgage loan and a current loan-to-value ratio not higher than the then current loan-to-value ratio of the deleted underlying mortgage loan; *provided* that for purposes of determining the original and current loan-to-value ratio, the appraised value of the related mortgaged real property or mortgaged real properties must first be reduced by (a) the amount of any lien on the mortgaged real property or mortgaged real properties that is senior to the underlying mortgage loan and (b) a proportionate amount of any lien that is at the same level of priority with the deleted underlying mortgage loan; (vii) materially comply (without waiver or exception) as of the date of substitution with all of the representations and warranties set forth in the applicable purchase agreement; (viii) have an environmental report with respect to the related mortgaged real property that indicates no material adverse environmental conditions with respect to the related mortgaged real property and which will be delivered as a part of the related mortgage file; (ix) have an original debt service coverage ratio of not less than the original debt service coverage ratio and a current debt service coverage ratio of not less than the current debt service coverage ratio of the deleted underlying mortgage loan; and (x) have been approved by Freddie Mac in its sole discretion. In the event that one or more mortgage loans are substituted for one or more deleted underlying mortgage loans simultaneously, then the amounts described in clause (i) are required to be determined on the basis of aggregate outstanding principal balances and the rates described in clause (ii) above and the remaining term to stated maturity referred to in clause (v) above will be determined on a weighted average basis. When a Qualified Substitute Mortgage Loan is substituted for a deleted underlying mortgage loan, the mortgage loan seller will be required to certify that the mortgage loan meets all of the requirements of the above definition and send the certification to the trustee and the certificate administrator, which may conclusively rely on such certification.

**“Ratings Trigger Event”** means, with respect to any Third Party Master Servicer or any Third Party Special Servicer, as applicable, (a) if on the Closing Date (or in the case of any successor master servicer or special servicer, the date of appointment), such party is listed on S&P’s Select Servicer List as a U.S. Commercial Mortgage Master Servicer (in the case of the Third Party Master Servicer) or a U.S. Commercial Mortgage Special Servicer (in the case of the Third Party Special Servicer), and at any time after the Closing Date (or in the case of any successor master servicer or special servicer, the date of appointment) such party loses its status on such list and such status is not restored within 60 days or (b) if on the Closing Date (or in the case of any successor master servicer or special servicer, the date of appointment) such party has a rating by Fitch higher than or equal to “CMS3” or “CSS3,” as applicable, and at any time after the Closing Date (or in the case of any successor master servicer or special servicer, the date of appointment) such rating drops to a level lower than “CMS3” or “CSS3,” as applicable, and such party is not reinstated to at least “CMS3” or “CSS3,” as applicable, within 60 days.

**“Realized Losses”** means the amount by which (i) the aggregate Stated Principal Balance (for purposes of this calculation only, (a) giving effect to the amount of any unreimbursed Timing Guarantor Payments and (b) not giving effect to any reductions of the Stated Principal Balance for payments and other collections of principal on the mortgage pool that were used to reimburse any Nonrecoverable Advances and Workout-Delayed Reimbursement Amounts (including any accrued advance interest), other than payments or other collections of principal used to reimburse Nonrecoverable Advances or Workout-Delayed Reimbursement Amounts (including any accrued advance interest with respect to underlying mortgage loans and REO Loans as to which a final recovery

determination has been made) of the mortgage pool expected to be outstanding immediately following such distribution date is less than (ii) the aggregate outstanding principal balance of the Principal Balance Certificates after giving effect to distributions of principal on such distribution date. We discuss the calculation of Realized Losses under “Description of the Certificates—Reductions of Certificate Principal Balances in Connection with Realized Losses and Additional Issuing Entity Expenses” in this information circular.

“Reform Act” means the Federal Housing Finance Regulatory Reform Act.

“Regulation AB” means Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§ 229.1100-229.1125, as such rules may be amended from time to time, and subject to such clarification and interpretation as have been provided by the SEC or by the staff of the SEC, or as may be provided by the SEC or its staff from time to time, in each case, effective as of the compliance dates specified therein.

“REMIC” has the meaning assigned to such term under “Certain Federal Income Tax Consequences—Tax Status of the Certificates” in this information circular.

“Remittance Date” means, with respect to each distribution date, the Business Day prior to such distribution date.

“REO Loan” means an underlying mortgage loan deemed to be outstanding with respect to an REO Property.

“REO Property” means any mortgaged real property acquired on behalf of and in the name of the trustee for the benefit of the certificateholders through foreclosure, acceptance of a deed-in-lieu of foreclosure or otherwise in accordance with applicable law in connection with the default or imminent default of the related underlying mortgage loan.

“Requested Transfer” means, with respect to any underlying mortgage loan, a request for the transfer of an interest in the related mortgaged real property, the related borrower or any designated entity for transfers, as permitted under the loan documents under certain conditions, but not including the creation of any additional lien or other encumbrance on the mortgaged real property or interests in the borrower or any designated entity for transfers.

“Restricted Mezzanine Holder” means, with respect to an underlying mortgage loan, a holder of a related mezzanine loan that has accelerated, or otherwise begun to exercise its remedies with respect to, such mezzanine loan (unless such mezzanine holder is stayed pursuant to a written agreement or court order or as a matter of law from exercising any remedies associated with foreclosure of the related equity collateral under such mezzanine loan).

“Rule” has the meaning assigned to such term under “Description of the Mortgage Loan Seller and Guarantor—Credit Risk Retention” in this information circular.

“Rule 17g-5” means Rule 17g-5 under the Exchange Act.

“S&P” means S&P Global Ratings, and its successors-in-interest.

“Sales Comparison Approach” means a determination of the value of a mortgaged real property based on a comparison of that property to similar properties that have been sold recently or for which listing prices or offering figures are known. In connection with that determination, data for generally comparable properties are used and comparisons are made to demonstrate a probable price at which the subject mortgaged real property would sell if offered on the market.

“SEC” means the U.S. Securities and Exchange Commission.

“Section 8” means the Section 8 Tenant-Based Assistance Rental Certificate Program of the United States Department of Housing and Urban Development.

“Senior Loan” has the meaning assigned to such term under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt—Permitted Subordinate Mortgage Debt” in this information circular.

**“Senior Loan Holder”** has the meaning assigned to such term under “Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Additional Debt—Permitted Subordinate Mortgage Debt” in this information circular.

**“Servicing Advance”** has the meaning assigned to such term under “The Pooling and Servicing Agreement—Servicing and Other Compensation and Payment of Expenses—Servicing Advances” in this information circular.

**“Servicing Standard”** means:

- (i) with respect to the underlying mortgage loans other than REO Loans, REO Properties and Specially Serviced Mortgage Loans, to the extent not inconsistent with applicable law, the terms of the Pooling and Servicing Agreement or the terms of the respective underlying mortgage loans or any applicable intercreditor or co-lender and/or similar agreement(s), servicing and administering the underlying mortgage loans in accordance with (a) Freddie Mac Servicing Practices or (b) to the extent Freddie Mac Servicing Practices do not provide sufficient guidance or Freddie Mac Servicing Practices have not been made available in writing or communicated in writing by Freddie Mac to any Third Party Master Servicer, any Third Party Special Servicer or the related sub-servicer, as applicable, Accepted Servicing Practices; and
- (ii) with respect to REO Loans, REO Properties and Specially Serviced Mortgage Loans, to the extent not inconsistent with applicable law, the terms of the Pooling and Servicing Agreement or the terms of the respective underlying mortgage loans or any applicable intercreditor or co-lender and/or similar agreement(s), servicing and administrating such underlying mortgage loans in accordance with Accepted Servicing Practices; *provided, however,* that for Specially Serviced Mortgage Loans, to the extent consistent with applicable law, the terms of the Pooling and Servicing Agreement and the terms of the respective underlying mortgage loans and any applicable intercreditor or co-lender and/or similar agreement(s), the special servicer or the master servicer may, in its sole discretion, require the applicable borrower to maintain insurance consistent with either (a) Accepted Servicing Practices or (b) Freddie Mac Servicing Practices.

To the extent of any conflict under clause (i) of this definition (1) between Freddie Mac Servicing Practices and Accepted Servicing Practices, the terms of Freddie Mac Servicing Practices will govern and be applicable and (2) between Freddie Mac Servicing Practices or Accepted Servicing Practices and the express written terms of the Pooling and Servicing Agreement, the terms of the Pooling and Servicing Agreement will govern and be applicable.

**“Servicing Transfer Event”** means, with respect to any underlying mortgage loan, any of the following events, among others:

- (i) a payment default has occurred at its scheduled maturity date (except, if the borrower is making its normal monthly payment and is diligently pursuing a refinancing or sale to a party that is not a borrower affiliate and in connection therewith delivers within 45 days after the scheduled maturity date a firm commitment to refinance or a fully executed purchase and sale contract for the related mortgaged real property, as applicable, which is acceptable to the master servicer, in which case a Servicing Transfer Event would not occur as to such underlying mortgage loan until the earlier of (i) 60 days after such payment default, which may be extended to 120 days at the special servicer’s discretion, with the consent of Freddie Mac in the case of any Third Party Special Servicer or (ii) the expiration of such commitment); *provided,* that the special servicer will not follow any such direction, or refrain from acting based upon the lack of any such direction, of Freddie Mac, if following any such direction of Freddie Mac or refraining from taking such action based upon the lack of any such direction of Freddie Mac would violate the Servicing Standard;
- (ii) any monthly principal and/or interest payment (other than a balloon payment) is 60 days or more delinquent;
- (iii) the related borrower has—
  - (a) filed for, or consented to, bankruptcy, appointment of a receiver or conservator or a similar insolvency proceeding;
  - (b) become the subject of a decree or order for such a proceeding which is not stayed or discharged within 60 days; or
  - (c) has admitted in writing its inability to pay its debts generally as they become due;

- (iv) the master servicer or the special servicer has received notice of the foreclosure or proposed foreclosure of any other lien on the mortgaged real property;
- (v) in the judgment of (a) the master servicer (with the approval of Freddie Mac in the case of a Third Party Master Servicer) or (b) the special servicer (with the approval of Freddie Mac in the case of a Third Party Special Servicer), (1) a default under any underlying mortgage loan is reasonably foreseeable, (2) such default will materially impair the value of the related mortgaged real property as security for such underlying mortgage loan or otherwise materially adversely affect the interests of certificateholders, and (3) the default either would give rise to the immediate right to accelerate the underlying mortgage loan or such default is likely to continue unremedied for the applicable cure period under the terms of such underlying mortgage loan or, if no cure period is specified and the default is capable of being cured, for 30 days, *provided* that if Freddie Mac's approval is sought by the Third Party Master Servicer and not provided (and/or during the period that the Third Party Master Servicer is waiting for Freddie Mac's approval), such Third Party Master Servicer's servicing obligations with respect to such underlying mortgage loan will be to service such underlying mortgage loan as a non-Specially Serviced Mortgage Loan; or
- (vi) any other default has occurred under the loan documents that, in the reasonable judgment of the special servicer (with the approval of Freddie Mac in the case of a Third Party Special Servicer), or the master servicer (with the approval of Freddie Mac in the case of any Third Party Master Servicer), has materially and adversely affected the value of the related underlying mortgage loan or otherwise materially and adversely affected the interests of the certificateholders and has continued unremedied for 30 days (irrespective of any grace period specified in the related mortgage note) and, *provided* that failure of the related borrower to obtain all-risk casualty insurance which does not contain any carveout for terrorist or similar act (other than such amounts as are specifically required under the related mortgage loan) will not apply with respect to this clause at the discretion of the Special Servicer, provided that any Third Party Special Servicer has determined in accordance with the Servicing Standard that either—
  - (a) such insurance is not available at commercially reasonable rates and that such hazards are not commonly insured against for properties similar to the mortgaged real property and located in or around the region in which such mortgaged real property is located, or
  - (b) such insurance is not available at any rate.

A Servicing Transfer Event triggered by a default with respect to any Crossed Loan will not in and of itself constitute a Servicing Transfer Event with respect to any other Crossed Loan in the same Loan Group (if a Servicing Transfer Event would not otherwise have occurred but for giving effect to the cross-default provisions applicable to any Crossed Loan) unless (i) the master servicer or the special servicer determine that it is in the best interest of the Certificateholders (taken as a whole) in the related Certificate Group to effect such a Servicing Transfer Event with respect to one or more such crossed underlying mortgage loans in the related Loan Group and (ii) if Freddie Mac is not then acting as master servicer, or special servicer, Freddie Mac approves such Servicing Transfer Event with respect to one or more crossed underlying mortgage loans.

A Servicing Transfer Event will cease to exist, if and when a Specially Serviced Mortgage Loan becomes a Corrected Mortgage Loan.

**"Servicing Transferred Crossed Loan"** means any Crossed Loan with respect to which a Servicing Transfer Event has occurred, without giving effect to any cross-default provisions in the related loan documents or the occurrence of a Servicing Transfer Event with respect to any other underlying mortgage loan.

**"SPCs"** means Freddie Mac's series K-P04 structured pass-through certificates.

**"Specially Serviced Mortgage Loan"** means any underlying mortgage loan as to which a Servicing Transfer Event has occurred and is continuing, including any REO Loan or Defaulted Loan.

**"Stated Principal Balance"** means, with respect to any underlying mortgage loan (except with respect to any REO Loan), as of any date of determination, an amount equal to (i) the Cut-off Date Principal Balance of such underlying mortgage loan or with respect to a Qualified Substitute Mortgage Loan, the outstanding principal balance

of such Qualified Substitute Mortgage Loan after application of all scheduled payments of principal and interest due during or prior to the month of substitution, whether or not received, minus (ii) the sum of:

- (a) the principal portion of each monthly payment due on such underlying mortgage loan after the Cut-off Date (or, with respect to a Qualified Substitute Mortgage Loan, the applicable due date during the month of substitution), to the extent received from the related borrower or advanced by the master servicer or the trustee, as applicable, and distributed to the certificateholders, on or before such date of determination;
- (b) all principal prepayments received with respect to such underlying mortgage loan after the Cut-off Date (or, with respect to a Qualified Substitute Mortgage Loan, the applicable due date during the month of substitution), to the extent distributed to the certificateholders, on or before such date of determination;
- (c) the principal portion of all insurance and condemnation proceeds and Liquidation Proceeds received with respect to such underlying mortgage loan after the Cut-off Date (or, with respect to a Qualified Substitute Mortgage Loan, the applicable due date during the month of substitution), to the extent distributed to the certificateholders, on or before such date of determination;
- (d) any reduction in the outstanding principal balance of such underlying mortgage loan resulting from a valuation of the related mortgaged real property in an amount less than the then outstanding principal balance of such underlying mortgage loan by a court of competent jurisdiction, initiated by a bankruptcy proceeding and that occurred prior to the determination date for the most recent distribution date; and
- (e) any reduction in the outstanding principal balance of such underlying mortgage loan due to a modification by the special servicer pursuant to the Pooling and Servicing Agreement, which reduction occurred prior to the determination date for the most recent distribution date.

However, the “Stated Principal Balance” of any underlying mortgage loan will, in all cases, be zero as of the distribution date following the Collection Period in which it is determined that all amounts ultimately collectible with respect to that underlying mortgage loan or any related REO Property have been received.

With respect to any REO Loan, as of any date of determination, “Stated Principal Balance” means an amount equal to (i) the Stated Principal Balance of the predecessor underlying mortgage loan (determined as set forth above), as of the date the related REO Property is acquired by the issuing entity, minus (ii) the sum of:

- (a) the principal portion of any P&I Advance made with respect to such REO Loan on or after the date the related REO Property is acquired by the issuing entity, to the extent distributed to certificateholders on or before such date of determination; and
- (b) the principal portion of all insurance and condemnation proceeds, Liquidation Proceeds and all income, rents and profits derived from the ownership, operation or leasing of the related REO Property received with respect to such REO Loan, to the extent distributed to certificateholders, on or before such date of determination.

Any payment or other collection of principal on or with respect to any underlying mortgage loan (or any such successor REO Loan) that constitutes part of the Principal Distribution Amount for any distribution date, without regard to the last sentence of the definition of Principal Distribution Amount, and further without regard to any Principal Distribution Adjustment Amount for such distribution date, will be deemed to be distributed to certificateholders on such distribution date for purposes of this definition.

**“Static Prepayment Premium”** means a form of prepayment consideration payable in connection with any voluntary or involuntary principal prepayment that is calculated solely as a specified percentage of the amount prepaid, which percentage may change over time.

**“Static Prepayment Premium Period”** means, with respect to any underlying mortgage loan that at any time permits voluntary prepayments of principal, if accompanied by a Static Prepayment Premium, the period during the loan term when such voluntary principal prepayments may be made if accompanied by such Static Prepayment Premium.

**“Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap”** means \$300,000 per calendar year with respect to any Third Party Master Servicer and certain indemnified sub-servicers under the Pooling and Servicing Agreement, collectively.

**“Sub-Servicing Agreement”** means each sub-servicing agreement between the master servicer and the related sub-servicer relating to servicing and administration of underlying mortgage loans by such sub-servicer as provided in the Pooling and Servicing Agreement.

**“Successor Servicer Requirements”** has the meaning assigned to such term under “The Pooling and Servicing Agreement—Resignation, Removal and Replacement of Servicers; Transfer of Servicing Duties—Resignation of the Master Servicer or the Special Servicer” in this information circular.

**“Surveillance Fee Mortgage Loan”** means any underlying mortgage loan other than (i) a Specially Serviced Mortgage Loan or (ii) an REO Loan.

**“Third Party Master Servicer”** means any entity other than Freddie Mac appointed as a successor master servicer under the Pooling and Servicing Agreement or any successor to such successor entity.

**“Third Party Special Servicer”** means any entity other than Freddie Mac appointed as a successor special servicer under the Pooling and Servicing Agreement or any successor to such successor entity.

**“Third Party Special Servicer Aggregate Annual Cap”** means \$300,000 per calendar year.

**“Timing Guarantor Interest”** means, with respect to any distribution date and any class of Principal Balance Certificates, the sum of (i)(a) with respect to Balloon Guarantor Payments made as a result of a forbearance of a payment default on an underlying mortgage loan permitted under clause (i) of the definition of “Servicing Transfer Event” during the time of such forbearance, an amount equal to interest at the lesser of (1) the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group and for the related Interest Accrual Period or (2) the Net Mortgage Pass-Through Rate for the underlying mortgage loan in the related Loan Group requiring the Balloon Guarantor Payment for the related Interest Accrual Period, or (b) otherwise an amount equal to interest at the Weighted Average Net Mortgage Pass-Through Rate for the related Loan Group for the related Interest Accrual Period, in each case on any unreimbursed Timing Guarantor Payment for such class and (ii) any such amount set forth in clause (i) for prior distribution dates that remains unreimbursed.

**“Timing Guarantor Payment”** means, with respect to any distribution date and any class of Principal Balance Certificates, any Balloon Guarantor Payment or Class Final Guarantor Payment.

**“Total Units”** means, with respect to any underlying mortgage loan, the estimated number of apartments at the particular property, regardless of the number or size of rooms in the apartments as reflected in information provided by the borrower or in the appraisal on which the most recent Appraised Value is based.

**“Transfer”** generally means, with respect to any underlying mortgage loan, the sale, assignment, transfer or other disposition or divestment of any interest in, change of ownership of, or encumbrance of, the related borrower or the related mortgaged real property, as set forth in the related loan documents.

**“Transfer Fee”** means, with respect to any underlying mortgage loan, a fee payable under the related loan documents when a Transfer is completed.

**“Transfer Processing Fee”** means, with respect to any underlying mortgage loan and any Transfer Processing Fee Transaction, a fee equal to the lesser of (i) the fee required to be paid by the related borrower under the terms of the related loan documents for the review or processing of the Transfer Processing Fee Transaction (which may also be referred to in the loan documents as a **“Transfer Review Fee”**) and (ii) \$15,000.

**“Transfer Processing Fee Transaction”** means, with respect to any underlying mortgage loan, any transaction or matter involving (i) the transfer of an interest in the related mortgaged real property, the related borrower, any person that controls the borrower or any person that executes a guaranty pursuant to the terms of the related loan documents, which transfer requires the master servicer’s review, consent and/or approval, including, without limitation, a borrower’s request for an assumption or waiver of a “due-on-sale” clause with respect to any loan

pursuant to the Pooling and Servicing Agreement, (ii) a borrower's request for a waiver of a "due-on-encumbrance" clause and/or request for lender approval of a collateral substitution with respect to any underlying mortgage loan pursuant to the Pooling and Servicing Agreement, *provided, however*, that any transaction or matter involving (i) the full or partial condemnation of the mortgaged real property or any borrower request for consent to subject the related mortgaged real property to an easement, right of way or similar agreement for utilities, access, parking, public improvements or another purpose, (ii) Permitted Transfers (unless the related loan documents specifically provide for payment of a Transfer Processing Fee) and/or (iii) permitted subordinate mortgage debt, will not be a Transfer Processing Fee Transaction.

"Treasury" means the U.S. Department of the Treasury.

"Treasury Regulations" has the meaning assigned to such term under "The Pooling and Servicing Agreement—Modifications, Waivers, Amendments and Consents" in this information circular.

"Trustee Aggregate Annual Cap" means \$150,000 per calendar year.

"Trustee/Certificate Administrator/Custodian Aggregate Annual Cap" means if the same person or entity is acting as the trustee, the certificate administrator and the custodian, \$300,000 per calendar year with respect to such person or entity.

"U.S. Bank" means U.S. Bank National Association, a national banking association, and its successors-in-interest.

"U.S. Person" means a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States, any State in the United States or the District of Columbia, including an entity treated as a corporation or partnership for federal income tax purposes, an estate whose income is subject to U.S. federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of such trust, and one more such U.S. Persons have the authority to control all substantial decisions of such trust (or, to the extent provided in applicable Treasury Regulations, certain trusts in existence on August 20, 1996 that have elected to be treated as U.S. Persons).

"Underwritten Debt Service Coverage Ratio" means, with respect to any underlying mortgage loan, the weighted average of, for such underlying mortgage loan and all other underlying mortgage loans with which it is cross-collateralized, the ratios of (i) the Underwritten Net Cash Flow for the related mortgaged real property, to (ii) 12 times the monthly debt service payment for that underlying mortgage loan on the Cut-off Date, *provided* that, if the underlying mortgage loan is currently in an interest-only period, then the amount in clause (ii) of this definition with respect to such underlying mortgage loan will be either (a) if that interest-only period extends to maturity, the aggregate of the first 12 monthly debt service payments to be due on such underlying mortgage loan or (b) if that interest-only period ends prior to maturity, 12 times the monthly debt service payment to be due on such underlying mortgage loan on the first due date after amortization begins.

"Underwritten Debt Service Coverage Ratio (IO)" means, with respect to any underlying mortgage loan, the weighted average of, for such underlying mortgage loan and all other underlying mortgage loans with which it is cross-collateralized, the ratios of (i) the Underwritten Net Cash Flow for the related mortgaged real property, to (ii) an amount equal to the aggregate of the first 12 monthly debt service payments due on such underlying mortgage loan.

"Underwritten Net Cash Flow" means, with respect to each of the mortgaged real properties securing an underlying mortgage loan, the estimated total cash flow from that property expected to be available for annual debt service on the related underlying mortgage loan. In general, that estimate (i) was made by Freddie Mac in connection with its acquisition of the related underlying mortgage loan shortly following the origination of the related underlying mortgage loan; and (ii) is equal to the excess of (a) the Estimated Annual Revenues for the mortgaged real property, over (b) the Estimated Annual Operating Expenses for the mortgaged real property.

The management fees and reserves assumed in calculating Underwritten Net Cash Flow differ in many cases from actual management fees and reserves actually required under the loan documents for the related underlying mortgage loans. In addition, actual conditions at the mortgaged real properties will differ, and may differ

substantially, from the conditions assumed in calculating Underwritten Net Cash Flow. Furthermore, the Underwritten Net Cash Flow for each of the mortgaged real properties does not reflect the effects of future competition or economic cycles. Accordingly, we cannot assure you that the Underwritten Net Cash Flow for any of the mortgaged real properties shown on Exhibit A-1 will be representative of the actual future net cash flow for the particular mortgaged real property.

Underwritten Net Cash Flow and the revenues and expenditures used to determine Underwritten Net Cash Flow for each of the mortgaged real properties are derived from generally unaudited information furnished by the related borrower. However, in some cases, an accounting firm performed agreed upon procedures, or employees of the applicable Originator performed cash flow verification procedures, that were intended to identify any errors in the information provided by the related borrower. Audits of information furnished by borrowers could result in changes to the information. These changes could, in turn, result in the Underwritten Net Cash Flow shown on Exhibit A-1 being overstated. Net income for any of the mortgaged real properties as determined under GAAP would not be the same as the Underwritten Net Cash Flow for the mortgaged real property shown on Exhibit A-1. In addition, Underwritten Net Cash Flow is not a substitute for or comparable to operating income as determined in accordance with GAAP as a measure of the results of the mortgaged real property's operations nor a substitute for cash flows from operating activities determined in accordance with GAAP as a measure of liquidity.

**“Underwritten Net Operating Income”** means, with respect to each of the mortgaged real properties securing an underlying mortgage loan, the Underwritten Net Cash Flow for the mortgaged real property, increased by any and all of the following items that were included in the Estimated Annual Operating Expenses for the mortgaged real property for purposes of calculating that Underwritten Net Cash Flow (i) underwritten recurring replacement reserve amounts; and (ii) capital improvements, including recurring capital improvements.

**“United States” or “U.S.”** means the United States of America.

**“Unreimbursed Indemnification Expenses”** means indemnification amounts payable by the issuing entity to the depositor, Third Party Master Servicer, Third Party Special Servicer, the custodian, the certificate administrator or trustee in excess of the Depositor Aggregate Annual Cap, the Trustee Aggregate Annual Cap or the Certificate Administrator/Custodian Aggregate Annual Cap (if different persons or entities are the trustee and certificate administrator/custodian), the Trustee/Certificate Administrator/Custodian Aggregate Annual Cap (if the same person or entity is the trustee and certificate administrator/custodian), the Sub-Servicer/Third Party Master Servicer Aggregate Annual Cap and the Third Party Special Servicer Aggregate Annual Cap, together with any accrued and unpaid interest on such amounts, which have not been previously reimbursed.

**“UST”** means an underground storage tank.

**“Volcker Rule”** has the meaning assigned to such term under “Description of the Issuing Entity” in this information circular.

**“Weighted Average Net Mortgage Pass-Through Rate”** has the meaning assigned to such term under “Summary of Information Circular—Transaction Overview” in this information circular.

**“Workout-Delayed Reimbursement Amount”** has the meaning assigned to such term under “Description of the Certificates—Advances of Delinquent Monthly Debt Service Payments” in this information circular.

**“Year Built”** means, with respect to any mortgaged real property securing an underlying mortgage loan, the year when construction of the property was principally completed, as reflected in information provided by the borrower or in the appraisal on which the most recent Appraised Value of the property is based or the engineering report.

**“Year Renovated”** means, with respect to any mortgaged real property securing an underlying mortgage loan, the year when the most recent substantial renovation of the property, if any, was principally completed, as reflected in information provided by the borrower or in the appraisal on which the most recent Appraised Value of the property is based or the engineering report.

**“Yield Maintenance Charge”** means a form of prepayment consideration payable in connection with any voluntary or involuntary principal prepayment that is calculated pursuant to a yield maintenance formula, including any minimum amount equal to a specified percentage of the amount prepaid.

**“Yield Maintenance Period”** means, with respect to any applicable underlying mortgage loan that at any time permits voluntary prepayments of principal, if accompanied by a Yield Maintenance Charge, the period during the loan term when such voluntary principal prepayments may be made if accompanied by such Yield Maintenance Charge.

**EXHIBIT A-1**

**CERTAIN CHARACTERISTICS OF THE UNDERLYING  
MORTGAGE LOANS AND THE RELATED MORTGAGED REAL PROPERTIES**

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## Exhibit A-1 FREMF 2017-KP04

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Loan No. / Property No.		Number of Properties	Property Name	Originator	Street Address	Property City	Property State	Zip Code	County	Property Type	Property Subtype
1		1	The Reserve At Fairfax Corner	Berkeley Point Capital LLC	11727 Fairfax Woods Way	Fairfax	VA	22030	Fairfax	Multifamily	Garden
2		1	Mill Creek Apartments	Berkeley Point Capital LLC	440 Dixon Landing Road	Milpitas	CA	95035	Santa Clara	Multifamily	Garden
3		1	Bella Vista At Warner Ridge	Berkeley Point Capital LLC	6150 De Soto Avenue	Woodland Hills	CA	91367	Los Angeles	Multifamily	Garden
4	(11)	1	1401 South Joyce On Pentagon	Berkeley Point Capital LLC	1401 South Joyce Street	Arlington	VA	22202	Arlington	Multifamily	High Rise
5	(11)	1	Olympus Towers	Berkeley Point Capital LLC	2801 Western Avenue	Seattle	WA	98121	King	Multifamily	High Rise
6		1	Hathaway Apartments	Berkeley Point Capital LLC	3500 Hathaway Avenue	Long Beach	CA	90815	Los Angeles	Multifamily	Garden
7		1	Summerset Village	Berkeley Point Capital LLC	11450 Poema Place	Chatsworth	CA	91311	Los Angeles	Multifamily	Garden
8		1	Versailles	Berkeley Point Capital LLC	23100 Avenue San Luis	Woodland Hills	CA	91364	Los Angeles	Multifamily	Garden
9		1	Liberty Park	Berkeley Point Capital LLC	1 Matthew Lane	Braintree	MA	02184	Norfolk	Multifamily	Garden
10		1	Artisan Square	Berkeley Point Capital LLC	19200 Nordhoff Street	Northridge	CA	91324	Los Angeles	Multifamily	Garden
11	(11)	1	Woodleaf Apartments	Berkeley Point Capital LLC	325 Union Avenue	Campbell	CA	95008	Santa Clara	Multifamily	Garden
12	(11)	1	Toscana Apartments	Wells Fargo Bank, National Association	35 Via Lucca	Irvine	CA	92612	Orange	Multifamily	Mid Rise
13		1	Longview Place	Wells Fargo Bank, National Association	70 Hope Avenue	Waltham	MA	02453	Middlesex	Multifamily	Mid Rise
14	(11)	1	Siena Terrace	Wells Fargo Bank, National Association	20041 Osterman Road	Lake Forest	CA	92630	Orange	Multifamily	Garden
15		1	Town Square At Mark Center	Wells Fargo Bank, National Association	1459 North Beauregard Street	Alexandria	VA	22311	Alexandria	Multifamily	Garden
16	(11)	1	Skyview Apartments	Wells Fargo Bank, National Association	21022 Los Alisos Boulevard	Rancho Santa Margarita	CA	92688	Orange	Multifamily	Garden
17	(11)	1	Versailles Koreatown Apartments	Wells Fargo Bank, National Association	918 South Oxford Avenue	Los Angeles	CA	90006	Los Angeles	Multifamily	Mid Rise
18	(11)	1	Del Mar Ridge	Wells Fargo Bank, National Association	12629 El Camino Real	San Diego	CA	92130	San Diego	Multifamily	Garden
19		1	Heights On Capitol Hill	Wells Fargo Bank, National Association	130 Harvard Avenue East	Seattle	WA	98102	King	Multifamily	Mid Rise
20		1	Avanti	Wells Fargo Bank, National Association	650 West Broadway Avenue	Anaheim	CA	92805	Orange	Multifamily	Garden
21		1	Metro On First	Wells Fargo Bank, National Association	215 First Avenue West	Seattle	WA	98119	King	Multifamily	Mid Rise

## Exhibit A-1 FREMF 2017-KP04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Year Built	Year Renovated	Total Units	Cut-Off Date Balance/Unit(1)	Unit of Measure	Occupancy %	Occupancy As of Date	Loan Purpose (Acquisition, Refinance, Supplemental, Substitution)	Single Purpose Borrowing Entity / Single Asset Borrowing Entity / Multiple Asset Entity
1		1	The Reserve At Fairfax Corner	2001	N/A	652	130,276	Units	96.5%	6/30/2017	Refinance	SAE
2		1	Mill Creek Apartments	1991	N/A	516	130,276	Units	96.5%	6/30/2017	Refinance	MAE
3		1	Bella Vista At Warner Ridge	2001	N/A	579	130,276	Units	96.0%	6/30/2017	Refinance	SAE
4	(11)	1	1401 South Joyce On Pentagon	2003	N/A	326	130,276	Units	96.0%	6/30/2017	Substitution	SAE
5	(11)	1	Olympus Towers	2001	N/A	327	130,276	Units	97.2%	9/30/2017	Substitution	SAE
6		1	Hathaway Apartments	1988	N/A	385	130,276	Units	96.1%	6/30/2017	Refinance	MAE
7		1	Summerset Village	1986	N/A	280	130,276	Units	95.4%	6/30/2017	Refinance	MAE
8		1	Versailles	1991	2005	253	130,276	Units	95.7%	6/30/2017	Refinance	MAE
9		1	Liberty Park	1999	N/A	202	130,276	Units	95.0%	6/30/2017	Refinance	SAE
10		1	Artisan Square	2001	N/A	140	130,276	Units	97.1%	6/30/2017	Refinance	SAE
11	(11)	1	Woodleaf Apartments	1984	2012	178	130,276	Units	94.4%	6/30/2017	Substitution	SAE
12	(11)	1	Toscana Apartments	1990	N/A	563	184,706	Units	93.4%	6/30/2017	Substitution	SAE
13		1	Longview Place	2004	N/A	348	184,706	Units	94.5%	6/30/2017	Refinance	SAE
14	(11)	1	Siena Terrace	1988	N/A	356	184,706	Units	95.2%	6/30/2017	Substitution	SAE
15		1	Town Square At Mark Center	1996	N/A	406	184,706	Units	96.6%	6/30/2017	Refinance	SAE
16	(11)	1	Skyview Apartments	1998	N/A	260	184,706	Units	96.9%	6/30/2017	Substitution	SAE
17	(11)	1	Versailles Koreatown Apartments	2008	N/A	225	184,706	Units	96.4%	6/30/2017	Substitution	SAE
18	(11)	1	Del Mar Ridge	1998	2011	181	184,706	Units	96.1%	6/30/2017	Substitution	SAE
19		1	Heights On Capitol Hill	2006	N/A	104	184,706	Units	94.2%	6/30/2017	Refinance	MAE
20		1	Avanti	1988	N/A	162	184,706	Units	98.8%	6/30/2017	Refinance	SAE
21		1	Metro On First	2002	N/A	102	184,706	Units	96.1%	6/30/2017	Refinance	MAE

## Exhibit A-1 FREMF 2017-KP04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Crossed Loans	Affiliated Borrower Loans(2)	Payment Date	Late Charge Grace Period	Note Date	First Payment Date	Final Maturity Date	Original Loan Amount	Cut-Off Date Loan Amount	% of Cut-Off Date Pool Balance	Final Maturity Balance	Maturity Balance (After Fixed Rate Period)
1		1	The Reserve At Fairfax Corner	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	84,778,876	84,778,876	8.5%	84,778,876	84,778,876
2		1	Mill Creek Apartments	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	69,312,259	69,312,259	6.9%	69,312,259	69,312,259
3		1	Bella Vista At Warner Ridge	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	58,055,099	58,055,099	5.8%	58,055,099	58,055,099
4	(11)	1	1401 South Joyce On Pentagon	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	57,428,472	57,428,472	5.7%	57,428,472	57,428,472
5	(11)	1	Olympus Towers	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	49,875,780	49,875,780	5.0%	49,875,780	49,875,780
6		1	Hathaway Apartments	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	46,517,800	46,517,800	4.7%	46,517,800	46,517,800
7		1	Summerset Village	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	38,039,912	38,039,912	3.8%	38,039,912	38,039,912
8		1	Versailles	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	30,372,953	30,372,953	3.0%	30,372,953	30,372,953
9		1	Liberty Park	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	24,980,280	24,980,280	2.5%	24,980,280	24,980,280
10		1	Artisan Square	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	22,779,715	22,779,715	2.3%	22,779,715	22,779,715
11	(11)	1	Woodleaf Apartments	Group 1	Group 1	1	10	6/29/2009	8/1/2009	7/1/2020	17,858,854	17,858,854	1.8%	17,858,854	17,858,854
12	(11)	1	Toscana Apartments	Group 2	Group 1	1	10	3/10/2008	5/1/2008	10/1/2019	98,092,566	98,092,566	9.8%	98,092,566	98,092,566
13		1	Longview Place	Group 2	Group 1	1	10	3/10/2008	5/1/2008	10/1/2019	70,822,265	70,822,265	7.1%	70,822,265	70,822,265
14	(11)	1	Siena Terrace	Group 2	Group 1	1	10	3/10/2008	5/1/2008	10/1/2019	64,485,107	64,485,107	6.4%	64,485,107	64,485,107
15		1	Town Square At Mark Center	Group 2	Group 1	1	10	3/10/2008	5/1/2008	10/1/2019	60,279,122	60,279,122	6.0%	60,279,122	60,279,122
16	(11)	1	Skyview Apartments	Group 2	Group 1	1	10	3/10/2008	5/1/2008	10/1/2019	47,206,845	47,206,845	4.7%	47,206,845	47,206,845
17	(11)	1	Versailles Koreatown Apartments	Group 2	Group 1	1	10	3/10/2008	5/1/2008	10/1/2019	45,990,686	45,990,686	4.6%	45,990,686	45,990,686
18	(11)	1	Del Mar Ridge	Group 2	Group 1	1	10	3/10/2008	5/1/2008	10/1/2019	39,555,622	39,555,622	4.0%	39,555,622	39,555,622
19		1	Heights On Capitol Hill	Group 2	Group 1	1	10	3/10/2008	5/1/2008	10/1/2019	25,900,949	25,900,949	2.6%	25,900,949	25,900,949
20		1	Avanti	Group 2	Group 1	1	10	3/10/2008	5/1/2008	10/1/2019	25,025,451	25,025,451	2.5%	25,025,451	25,025,451
21		1	Metro On First	Group 2	Group 1	1	10	3/10/2008	5/1/2008	10/1/2019	22,641,387	22,641,387	2.3%	22,641,387	22,641,387

## Exhibit A-1 FREMF 2017-KP04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Gross Interest Rate	Administration Fee Rate(3)	Net Mortgage Interest Rate	Rate Type	Margin (Floating Rate)	Rate Index	Rate Cap	Accrual Basis	Loan Amortization Type
1		1	The Reserve At Fairfax Corner	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
2		1	Mill Creek Apartments	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
3		1	Bella Vista At Warner Ridge	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
4	(11)	1	1401 South Joyce On Pentagon	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
5	(11)	1	Olympus Towers	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
6		1	Hathaway Apartments	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
7		1	Summerset Village	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
8		1	Versailles	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
9		1	Liberty Park	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
10		1	Artisan Square	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
11	(11)	1	Woodleaf Apartments	5.7800%	0.1060%	5.6740%	Fixed to Floating	3.000%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
12	(11)	1	Toscana Apartments	5.1900%	0.0860%	5.1040%	Fixed to Floating	2.400%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
13		1	Longview Place	5.1900%	0.0860%	5.1040%	Fixed to Floating	2.400%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
14	(11)	1	Siena Terrace	5.1900%	0.0860%	5.1040%	Fixed to Floating	2.400%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
15		1	Town Square At Mark Center	5.1900%	0.0860%	5.1040%	Fixed to Floating	2.400%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
16	(11)	1	Skyview Apartments	5.1900%	0.0860%	5.1040%	Fixed to Floating	2.400%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
17	(11)	1	Versailles Koreatown Apartments	5.1900%	0.0860%	5.1040%	Fixed to Floating	2.400%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
18	(11)	1	Del Mar Ridge	5.1900%	0.0860%	5.1040%	Fixed to Floating	2.400%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
19		1	Heights On Capitol Hill	5.1900%	0.0860%	5.1040%	Fixed to Floating	2.400%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
20		1	Avanti	5.1900%	0.0860%	5.1040%	Fixed to Floating	2.400%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only
21		1	Metro On First	5.1900%	0.0860%	5.1040%	Fixed to Floating	2.400%	1-MO LIBOR	N/A	30/360 (Fixed) Act/360 (Floating)	Interest Only

## Exhibit A-1 FREMF 2017-KP04

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Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Monthly Debt Service Amount (Amortizing)(4)	Amortization Term (Original)	Amortization Term (Remaining)	Loan Term (Original)	Loan Term (Remaining)	IO Period	Loan Term (Original Fixed Rate)	Seasoning	Prepayment Provision(5)(6)
1		1	The Reserve At Fairfax Corner	408,351.59	0	0	132	32	132	120	100	YM1%(119) O(13)
2		1	Mill Creek Apartments	333,854.05	0	0	132	32	132	120	100	YM1%(119) O(13)
3		1	Bella Vista At Warner Ridge	279,632.06	0	0	132	32	132	120	100	YM1%(119) O(13)
4	(11)	1	1401 South Joyce On Pentagon	276,613.81	0	0	132	32	132	120	100	YM1%(119) O(13)
5	(11)	1	Olympus Towers	240,235.01	0	0	132	32	132	120	100	YM1%(119) O(13)
6		1	Hathaway Apartments	224,060.74	0	0	132	32	132	120	100	YM1%(119) O(13)
7		1	Summerset Village	183,225.58	0	0	132	32	132	120	100	YM1%(119) O(13)
8		1	Versailles	146,296.39	0	0	132	32	132	120	100	YM1%(119) O(13)
9		1	Liberty Park	120,321.68	0	0	132	32	132	120	100	YM1%(119) O(13)
10		1	Artisan Square	109,722.29	0	0	132	32	132	120	100	YM1%(119) O(13)
11	(11)	1	Woodleaf Apartments	86,020.15	0	0	132	32	132	120	100	YM1%(119) O(13)
12	(11)	1	Toscana Apartments	424,250.35	0	0	138	23	138	126	115	YM1%(125) O(13)
13		1	Longview Place	306,306.30	0	0	138	23	138	126	115	YM1%(125) O(13)
14	(11)	1	Siena Terrace	278,898.09	0	0	138	23	138	126	115	YM1%(125) O(13)
15		1	Town Square At Mark Center	260,707.20	0	0	138	23	138	126	115	YM1%(125) O(13)
16	(11)	1	Skyview Apartments	204,169.60	0	0	138	23	138	126	115	YM1%(125) O(13)
17	(11)	1	Versailles Koreatown Apartments	198,909.72	0	0	138	23	138	126	115	YM1%(125) O(13)
18	(11)	1	Del Mar Ridge	171,078.07	0	0	138	23	138	126	115	YM1%(125) O(13)
19		1	Heights On Capitol Hill	112,021.60	0	0	138	23	138	126	115	YM1%(125) O(13)
20		1	Avanti	108,235.08	0	0	138	23	138	126	115	YM1%(125) O(13)
21		1	Metro On First	97,924.00	0	0	138	23	138	126	115	YM1%(125) O(13)

## Exhibit A-1 FREMF 2017-KP04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Appraisal		Cut-Off		UW NCF DSCR (IO)(1)	UW NCF DSCR(1)	Most Recent				Most Recent Financial End Date	
				Valuation Date	Appraised Value	Date LTV(1)	Maturity LTV(1)			UW EGI	UW Expenses	UW NOI	UW NCF		
1		1	The Reserve At Fairfax Corner	4/29/2009	118,700,000	60.9%	60.9%	1.79x	1.79x	2.46x	11,489,822	3,529,588	7,960,234	7,759,418	6/30/2017
2		1	Mill Creek Apartments	4/24/2009	94,020,000	60.9%	60.9%	1.79x	1.79x	2.46x	9,883,560	3,125,800	6,757,760	6,579,741	6/30/2017
3		1	Bella Vista At Warner Ridge	1/16/2013	167,100,000	60.9%	60.9%	1.79x	1.79x	2.46x	12,632,429	4,430,072	8,202,357	8,002,602	6/30/2017
4	(11)	1	1401 South Joyce On Pentagon	1/10/2013	139,400,000	60.9%	60.9%	1.79x	1.79x	2.46x	9,467,207	2,850,509	6,616,698	6,507,162	6/30/2017
5	(11)	1	Olympus Towers	11/3/2010	102,750,000	60.9%	60.9%	1.79x	1.79x	2.46x	7,773,713	2,745,042	5,028,671	4,919,453	6/30/2017
6		1	Hathaway Apartments	4/24/2009	63,100,000	60.9%	60.9%	1.79x	1.79x	2.46x	6,563,967	1,917,294	4,646,673	4,553,118	6/30/2017
7		1	Summerset Village	4/27/2009	51,600,000	60.9%	60.9%	1.79x	1.79x	2.46x	5,692,653	1,789,746	3,902,907	3,808,547	6/30/2017
8		1	Versailles	4/27/2009	41,200,000	60.9%	60.9%	1.79x	1.79x	2.46x	4,977,411	2,154,826	2,822,585	2,735,553	6/30/2017
9		1	Liberty Park	4/24/2009	37,000,000	60.9%	60.9%	1.79x	1.79x	2.46x	3,655,973	1,392,647	2,263,326	2,202,524	6/30/2017
10		1	Artisan Square	4/27/2009	30,900,000	60.9%	60.9%	1.79x	1.79x	2.46x	3,188,349	1,049,343	2,139,006	2,092,806	6/30/2017
11	(11)	1	Woodleaf Apartments	11/5/2012	50,800,000	60.9%	60.9%	1.79x	1.79x	2.46x	3,660,429	1,089,806	2,570,623	2,526,123	6/30/2017
12	(11)	1	Toscana Apartments	1/11/2013	144,000,000	71.4%	71.4%	1.29x	1.29x	1.76x	10,704,663	3,760,685	6,943,978	6,777,330	6/30/2017
13		1	Longview Place	2/6/2008	100,000,000	71.4%	71.4%	1.29x	1.29x	1.76x	7,559,079	3,008,591	4,550,488	4,480,888	6/30/2017
14	(11)	1	Siena Terrace	1/16/2013	82,560,000	71.4%	71.4%	1.29x	1.29x	1.76x	6,296,214	2,002,508	4,293,706	4,186,194	6/30/2017
15		1	Town Square At Mark Center	2/7/2008	97,800,000	71.4%	71.4%	1.29x	1.29x	1.76x	7,404,086	2,474,056	4,930,030	4,848,830	6/30/2017
16	(11)	1	Skyview Apartments	1/8/2013	64,600,000	71.4%	71.4%	1.29x	1.29x	1.76x	5,229,652	1,899,967	3,329,685	3,247,264	6/30/2017
17	(11)	1	Versailles Koreatown Apartments	1/10/2013	69,710,000	71.4%	71.4%	1.29x	1.29x	1.76x	4,933,199	1,788,398	3,144,801	3,084,501	6/30/2017
18	(11)	1	Del Mar Ridge	1/9/2013	61,000,000	71.4%	71.4%	1.29x	1.29x	1.76x	4,166,872	1,440,398	2,726,474	2,664,210	6/30/2017
19		1	Heights On Capitol Hill	2/7/2008	27,600,000	71.4%	71.4%	1.29x	1.29x	1.76x	2,026,524	722,300	1,304,224	1,283,424	6/30/2017
20		1	Avanti	2/6/2008	32,900,000	71.4%	71.4%	1.29x	1.29x	1.76x	2,643,556	1,019,364	1,624,192	1,583,692	6/30/2017
21		1	Metro On First	2/7/2008	27,200,000	71.4%	71.4%	1.29x	1.29x	1.76x	1,952,245	639,708	1,312,537	1,292,137	6/30/2017

## Exhibit A-1 FREMF 2017-KP04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Most Recent				2nd Most Recent				3rd Most Recent			
				EGI	Expenses	NOI	NCF	Financial End Date	EGI	Expenses	NOI	NCF	Financial End Date	EGI	Expenses
1		1	The Reserve At Fairfax Corner	14,362,662	4,192,230	10,170,432	9,950,115	12/31/2016	14,291,694	4,121,009	10,170,685	9,976,383	12/31/2015	13,848,383	4,141,742
2		1	Mill Creek Apartments	16,211,195	4,221,135	11,990,060	11,990,060	12/31/2016	15,893,712	3,990,410	11,903,302	11,903,302	12/31/2015	14,947,839	3,552,482
3		1	Bella Vista At Warner Ridge	15,340,465	5,458,004	9,882,461	9,882,461	12/31/2016	15,243,491	5,265,038	9,978,453	9,978,453	12/31/2015	14,568,132	5,092,722
4	(11)	1	1401 South Joyce On Pentagon	9,643,523	3,005,176	6,638,347	6,580,167	12/31/2016	9,620,629	2,974,532	6,646,097	6,646,097	12/31/2015	9,513,163	2,941,154
5	(11)	1	Olympus Towers	10,595,593	3,727,107	6,868,486	6,846,250	12/31/2016	10,422,631	3,571,101	6,851,530	6,818,185	12/31/2015	9,895,266	3,488,061
6		1	Hathaway Apartments	8,621,862	2,217,306	6,404,556	6,231,635	12/31/2016	8,401,838	2,171,667	6,230,171	6,071,324	12/31/2015	7,934,034	2,135,081
7		1	Summerset Village	7,661,211	1,890,744	5,770,467	5,617,260	12/31/2016	7,572,305	1,887,935	5,684,370	5,495,843	12/31/2015	7,151,983	1,807,537
8		1	Versailles	6,075,654	2,266,191	3,809,463	3,641,653	12/31/2016	5,920,424	2,206,430	3,713,994	3,713,994	12/31/2015	5,674,723	2,060,362
9		1	Liberty Park	5,145,599	1,627,707	3,517,892	3,517,892	12/31/2016	5,117,003	1,576,917	3,540,086	3,540,086	12/31/2015	4,848,534	1,651,185
10		1	Artisan Square	4,056,722	1,217,170	2,839,552	2,839,552	12/31/2016	3,989,445	1,156,496	2,832,949	2,832,949	12/31/2015	3,815,555	1,196,147
11	(11)	1	Woodleaf Apartments	5,475,150	1,318,836	4,156,314	4,116,331	12/31/2016	5,423,713	1,318,833	4,104,880	4,060,129	12/31/2015	5,069,100	1,221,431
12	(11)	1	Toscana Apartments	12,794,360	4,160,988	8,633,372	8,633,372	12/31/2016	12,537,508	4,007,056	8,530,452	8,530,452	12/31/2015	11,914,016	3,849,552
13		1	Longview Place	10,360,604	3,080,469	7,280,135	7,280,135	12/31/2016	10,219,941	3,053,924	7,166,017	7,166,017	12/31/2015	10,012,335	3,191,129
14	(11)	1	Siena Terrace	8,053,786	2,121,481	5,932,305	5,821,377	12/31/2016	7,871,091	2,021,357	5,849,734	5,714,248	12/31/2015	7,380,955	2,075,763
15		1	Town Square At Mark Center	9,028,703	3,301,189	5,727,514	5,481,658	12/31/2016	8,955,466	3,195,684	5,759,782	5,532,980	12/31/2015	8,667,962	3,201,041
16	(11)	1	Skyview Apartments	6,567,105	1,949,341	4,617,764	4,617,764	12/31/2016	6,370,659	1,929,739	4,440,920	4,440,920	12/31/2015	5,888,329	1,895,345
17	(11)	1	Versailles Koreatown Apartments	6,203,177	1,867,047	4,336,130	4,264,967	12/31/2016	5,889,761	1,858,432	4,031,329	3,954,357	12/31/2015	5,497,491	1,803,247
18	(11)	1	Del Mar Ridge	5,394,748	1,603,004	3,791,744	3,729,982	12/31/2016	5,321,760	1,573,619	3,748,141	3,687,754	12/31/2015	5,099,366	1,599,441
19		1	Heights On Capitol Hill	2,594,948	843,714	1,751,234	1,751,234	12/31/2016	2,551,733	809,437	1,742,296	1,742,296	12/31/2015	2,447,970	742,148
20		1	Avanti	3,546,506	1,213,298	2,333,208	2,333,208	12/31/2016	3,426,455	1,188,704	2,237,751	2,237,751	12/31/2015	3,137,681	1,055,435
21		1	Metro On First	2,645,004	924,509	1,720,495	1,720,495	12/31/2016	2,567,478	890,982	1,676,496	1,676,496	12/31/2015	2,501,803	824,314

## Exhibit A-1 FREMF 2017-KP04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	3rd Most Recent NOI	3rd Most Recent NCF	Lien Position	Title Vesting (Fee/Leasehold)	Ground Lease Maturity Date	Cash Management (Description or N/A)	Engineering Escrow/Deferred Maintenance(7)	Tax Escrow (Initial)(7)	Tax Escrow (Monthly)(8)
1		1	The Reserve At Fairfax Corner	9,706,641	9,532,909	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
2		1	Mill Creek Apartments	11,395,357	11,395,357	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
3		1	Bella Vista At Warner Ridge	9,475,410	9,288,358	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
4	(11)	1	1401 South Joyce On Pentagon	6,572,009	6,572,009	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
5	(11)	1	Olympus Towers	6,407,205	6,407,205	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
6		1	Hathaway Apartments	5,798,953	5,659,717	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
7		1	Summerset Village	5,344,446	5,194,734	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
8		1	Versailles	3,614,361	3,614,361	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
9		1	Liberty Park	3,197,349	3,197,349	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
10		1	Artisan Square	2,619,408	2,619,408	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
11	(11)	1	Woodleaf Apartments	3,847,669	3,791,944	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
12	(11)	1	Toscana Apartments	8,064,464	8,064,464	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
13		1	Longview Place	6,821,206	6,821,206	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
14	(11)	1	Siena Terrace	5,305,192	5,209,204	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
15		1	Town Square At Mark Center	5,466,921	5,245,973	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
16	(11)	1	Skyview Apartments	3,992,984	3,992,984	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
17	(11)	1	Versailles Koreatown Apartments	3,694,244	3,651,820	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
18	(11)	1	Del Mar Ridge	3,499,925	3,425,737	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
19		1	Heights On Capitol Hill	1,705,822	1,705,822	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
20		1	Avanti	2,082,246	2,082,246	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing
21		1	Metro On First	1,677,489	1,677,489	First Mortgage	Fee Simple	N/A	N/A	N/A	N/A	Springing

## Exhibit A-1 FREMF 2017-KP04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Insurance Escrow (Initial)(7)	Insurance Escrow (Monthly)(8)	Replacement Reserve (Initial)(7)	Replacement Reserve (Monthly)(9)	Replacement Reserve - Contractual - Cap (\$ or N/A)	Other Escrow (Initial)(7)	Other Escrow (Monthly)	Other Escrow Description
1		1	The Reserve At Fairfax Corner	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
2		1	Mill Creek Apartments	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
3		1	Bella Vista At Warner Ridge	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
4	(11)	1	1401 South Joyce On Pentagon	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
5	(11)	1	Olympus Towers	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
6		1	Hathaway Apartments	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
7		1	Summerset Village	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
8		1	Versailles	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
9		1	Liberty Park	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
10		1	Artisan Square	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
11	(11)	1	Woodleaf Apartments	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
12	(11)	1	Toscana Apartments	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
13		1	Longview Place	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
14	(11)	1	Siena Terrace	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
15		1	Town Square At Mark Center	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
16	(11)	1	Skyview Apartments	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
17	(11)	1	Versailles Koreatown Apartments	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
18	(11)	1	Del Mar Ridge	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
19		1	Heights On Capitol Hill	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
20		1	Avanti	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A
21		1	Metro On First	N/A	Springing	N/A	Springing	N/A	N/A	N/A	N/A

## Exhibit A-1 FREMF 2017-KP04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Springing Reserve Type(8)(9)	Springing Reserve Amount	Seismic Insurance if PML >= 20% (Y/N)	Monthly Rent Per Unit	Additional Financing In Place (existing) (Y/N)	Additional Financing Amount (existing)	Additional Financing Description (existing)
1		1	The Reserve At Fairfax Corner	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (16,735)	No	1,786	No	N/A	N/A
2		1	Mill Creek Apartments	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (14,835)	Yes	2,571	No	N/A	N/A
3		1	Bella Vista At Warner Ridge	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (16,646)	No	2,230	No	N/A	N/A
4	(11)	1	1401 South Joyce On Pentagon	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (7,905)	No	2,372	No	N/A	N/A
5	(11)	1	Olympus Towers	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (9,102)	Yes	2,594	No	N/A	N/A
6		1	Hathaway Apartments	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (7,796)	No	1,879	No	N/A	N/A
7		1	Summerset Village	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (7,863)	Yes	2,264	No	N/A	N/A
8		1	Versailles	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (7,253)	No	2,026	No	N/A	N/A
9		1	Liberty Park	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (5,067)	No	2,098	No	N/A	N/A
10		1	Artisan Square	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (3,850)	No	2,404	No	N/A	N/A
11	(11)	1	Woodleaf Apartments	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (3,708)	No	2,442	No	N/A	N/A
12	(11)	1	Toscana Apartments	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (13,887)	No	1,894	No	N/A	N/A
13		1	Longview Place	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (8,938)	No	2,454	No	N/A	N/A
14	(11)	1	Siena Terrace	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (8,959)	No	1,859	No	N/A	N/A
15		1	Town Square At Mark Center	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (6,767)	No	1,744	No	N/A	N/A
16	(11)	1	Skyview Apartments	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (6,868)	No	2,091	No	N/A	N/A
17	(11)	1	Versailles Koreatown Apartments	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (5,025)	Yes	2,248	No	N/A	N/A
18	(11)	1	Del Mar Ridge	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (5,189)	No	2,421	No	N/A	N/A
19		1	Heights On Capitol Hill	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (1,612)	No	2,055	No	N/A	N/A
20		1	Avanti	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (3,375)	No	1,809	No	N/A	N/A
21		1	Metro On First	Tax and Insurance Reserve; Replacement Reserve	Replacement Reserve (1,700)	No	2,089	No	N/A	N/A

## Exhibit A-1 FREMF 2017-KP04

Loan No. / Property No.	Footnotes	Number of Properties	Property Name	Future Supplemental Financing (Y/N)	Future Supplemental Financing Description(10)
1		1	The Reserve At Fairfax Corner	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
2		1	Mill Creek Apartments	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
3		1	Bella Vista At Warner Ridge	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
4	(11)	1	1401 South Joyce On Pentagon	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
5	(11)	1	Olympus Towers	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
6		1	Hathaway Apartments	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
7		1	Summerset Village	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
8		1	Versailles	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
9		1	Liberty Park	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
10		1	Artisan Square	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
11	(11)	1	Woodleaf Apartments	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
12	(11)	1	Toscana Apartments	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
13		1	Longview Place	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
14	(11)	1	Siena Terrace	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
15		1	Town Square At Mark Center	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
16	(11)	1	Skyview Apartments	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
17	(11)	1	Versailles Koreatown Apartments	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
18	(11)	1	Del Mar Ridge	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
19		1	Heights On Capitol Hill	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
20		1	Avanti	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program
21		1	Metro On First	Yes	Future Subordinate Financing per the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program

## **Footnotes to Exhibit A-1**

- (1) The underlying mortgage loans in each Loan Group are cross-collateralized and cross-defaulted with each other. The Cut-Off Date Balance/Unit calculation is based on the aggregate indebtedness for each of their respective Loan Groups. The Cut-Off Date LTV, Maturity LTV, UW NCF DSCR, U/W NCF DSCR (I/O) and Most Recent NCF DSCR calculations presented are based on a weighted average of the aggregate indebtedness of the underlying mortgage loans for each of their respective Loan Groups.
- (2) The underlying mortgage loans in each Loan Group were made to separate borrowers under common ownership and each underlying mortgage loan is cross-collateralized and cross-defaulted with each other underlying mortgage loan in the related Loan Group.  
For discussion of the risks associated with underlying mortgage loans made to borrowers under common ownership, see "Risk Factors—Risks Related to the Underlying Mortgage Loans" in this Information Circular.
- (3) The Administration Fee Rate includes the master servicing fee rate, sub-servicing fee rate, master servicer surveillance fee rate, trustee fee rate and the certificate administrator fee rate, and special servicer surveillance fee rate applicable to each underlying mortgage loan.
- (4) Monthly Debt Service Amount (Amortizing) shown for full-term interest-only loans is based on the monthly interest-only payment amount.
- (5) Prepayment Provision is shown from the respective underlying mortgage loan origination date.

Pursuant to the Pooling and Servicing Agreement, certificateholders representing a majority, by outstanding notional amount, of the class X-G1 and X-G2 certificates, as applicable, will have the right, in their sole discretion, to direct the master servicer or the special servicer, as applicable, to waive any obligation of the related borrower to pay a Yield Maintenance Charge or Static Prepayment Premium in connection with any prepayment in full of any underlying mortgage loan in the related Loan Group.

The prepayment provision characteristics for these underlying mortgage loans do not reflect this option.

- (6) The underlying mortgage loans in each Loan Group allow for substitution from the lien of the cross-collateralization agreement upon the satisfaction of certain conditions. See, "Description of the Underlying Mortgage Loans—Certain Terms and Conditions of the Underlying Mortgage Loans—Permitted Releases" in this information circular.
- (7) Initial Escrow Balances are as of the related underlying mortgage loan closing date, not as of the Cut-off Date.
- (8) With respect to Tax and Insurance Escrow (Monthly), springing Tax and Insurance Escrow (Monthly) commence upon (i) Borrower does not timely pay any of the Impositions, (ii) if borrower fails to provide timely proof to lender of such payment or (iii) Event of Default.
- (9) With respect to Replacement Reserve (Monthly), springing Replacement Reserve (Monthly) commences upon conditions defined in the Replacement Reserve Agreement.
- (10) With respect to Future Supplemental Financing Description, Future Supplemental Financing is subject to the Freddie Mac standards applicable at the time under the Supplemental Mortgage Program.
- (11) With respect to the Loan Purpose (Acquisition, Refinance, Supplemental, Substitution) of the underlying mortgage loans in Loan Group 1, 1401 South Joyce On Pentagon, Olympus Towers and Woodleaf Apartments are Substitutions and were not part of Loan Group 1 at origination.  
With respect to the Loan Purpose (Acquisition, Refinance, Supplemental, Substitution) of the underlying mortgage loans in Loan Group 2, Toscana Apartments, Siena Terrace, Skyview Apartments, Versailles Koreatown Apartments, and Del Mar Ridge are Substitutions and were not part of Loan Groups 2 at origination.

**EXHIBIT A-2**

**CERTAIN MORTGAGE POOL INFORMATION**

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### Stratifications of the Loan Group 1 Underlying Mortgage Loans

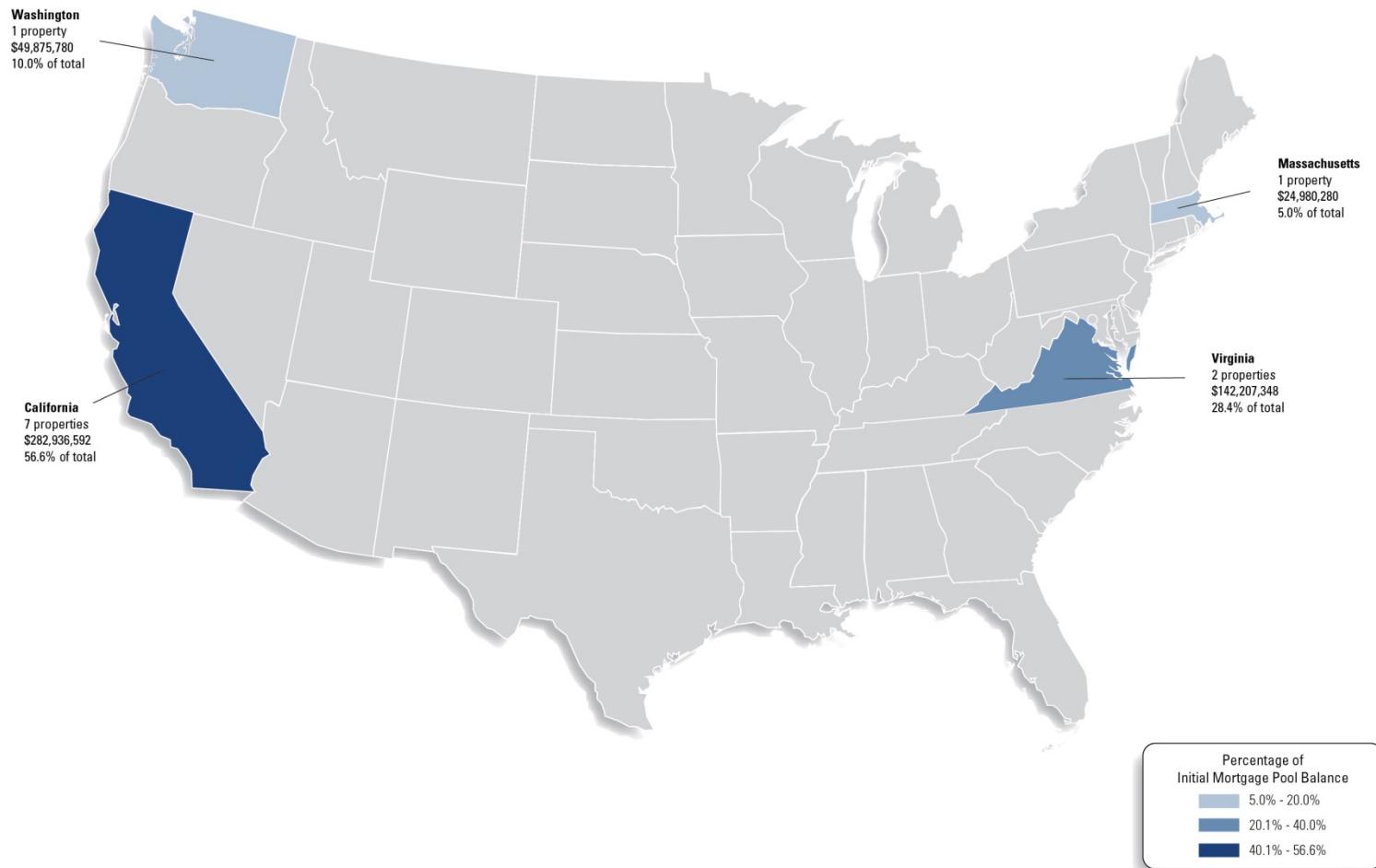
#### Loan Group 1 Underlying Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	% of Initial Loan Group 1 Balance	Underwritten NCF DSCR	Most Recent NCF DSCR	Cut-off Date LTV Ratio	Mortgage Rate
The Reserve At Fairfax Corner	1	Garden	Fairfax, VA	\$84,778,876	17.0%	1.79x	2.46x	60.9%	5.780%
Mill Creek Apartments	1	Garden	Milpitas, CA	69,312,259	13.9	1.79x	2.46x	60.9%	5.780%
Bella Vista At Warner Ridge	1	Garden	Woodland Hills, CA	58,055,099	11.6	1.79x	2.46x	60.9%	5.780%
1401 South Joyce On Pentagon	1	High Rise	Arlington, VA	57,428,472	11.5	1.79x	2.46x	60.9%	5.780%
Olympus Towers	1	High Rise	Seattle, WA	49,875,780	10.0	1.79x	2.46x	60.9%	5.780%
Hathaway Apartments	1	Garden	Long Beach, CA	46,517,800	9.3	1.79x	2.46x	60.9%	5.780%
Summerset Village	1	Garden	Chatsworth, CA	38,039,912	7.6	1.79x	2.46x	60.9%	5.780%
Versailles	1	Garden	Woodland Hills, CA	30,372,953	6.1	1.79x	2.46x	60.9%	5.780%
Liberty Park	1	Garden	Quincy, MA	24,980,280	5.0	1.79x	2.46x	60.9%	5.780%
Artisan Square	1	Garden	Northridge, CA	22,779,715	4.6	1.79x	2.46x	60.9%	5.780%
Woodleaf Apartments	1	Garden	Campbell, CA	17,858,854	3.6	1.79x	2.46x	60.9%	5.780%
<b>Total/Wtd. Average</b>	<b>11</b>			<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.79x</b>	<b>2.46x</b>	<b>60.9%</b>	<b>5.780%</b>

#### Loan Group 1 Mortgage Pool Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group 1 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
California	7	\$282,936,592	56.6%	1.79x	2.46x	60.9%	5.780%
Southern California	5	195,765,479	39.2	1.79x	2.46x	60.9%	5.780%
Northern California	2	87,171,113	17.4	1.79x	2.46x	60.9%	5.780%
Virginia	2	142,207,348	28.4	1.79x	2.46x	60.9%	5.780%
Washington	1	49,875,780	10.0	1.79x	2.46x	60.9%	5.780%
Massachusetts	1	24,980,280	5.0	1.79x	2.46x	60.9%	5.780%
<b>Total/Wtd. Average</b>	<b>11</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.79x</b>	<b>2.46x</b>	<b>60.9%</b>	<b>5.780%</b>

#### Collateral Locations



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### Loan Group 1 Mortgage Pool Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group 1 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
\$17,858,854 - \$19,999,999	1	\$17,858,854	3.6%	1.79x	2.46x	60.9%	5.780%
\$20,000,000 - \$29,999,999	2	47,759,995	9.6	1.79x	2.46x	60.9%	5.780%
\$30,000,000 - \$39,999,999	2	68,412,865	13.7	1.79x	2.46x	60.9%	5.780%
\$40,000,000 - \$49,999,999	2	96,393,580	19.3	1.79x	2.46x	60.9%	5.780%
\$50,000,000 - \$59,999,999	2	115,483,571	23.1	1.79x	2.46x	60.9%	5.780%
\$60,000,000 - \$69,999,999	1	69,312,259	13.9	1.79x	2.46x	60.9%	5.780%
\$70,000,000 - \$84,778,876	1	84,778,876	17.0	1.79x	2.46x	60.9%	5.780%
<b>Total / Wtd. Average</b>	<b>11</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.79x</b>	<b>2.46x</b>	<b>60.9%</b>	<b>5.780%</b>

### Loan Group 1 Mortgage Pool Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group 1 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Refinance	8	\$374,836,894	75.0%	1.79x	2.46x	60.9%	5.780%
Substitution	3	125,163,106	25.0	1.79x	2.46x	60.9%	5.780%
<b>Total/Wtd. Average</b>	<b>11</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.79x</b>	<b>2.46x</b>	<b>60.9%</b>	<b>5.780%</b>

### Loan Group 1 Mortgage Pool Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group 1 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Garden	9	\$392,695,748	78.5%	1.79x	2.46x	60.9%	5.780%
High Rise	2	107,304,252	21.5	1.79x	2.46x	60.9%	5.780%
<b>Total/Wtd. Average</b>	<b>11</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.79x</b>	<b>2.46x</b>	<b>60.9%</b>	<b>5.780%</b>

### Loan Group 1 Mortgage Pool Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group 1 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
94.4% - 94.9%	1	\$17,858,854	3.6%	1.79x	2.46x	60.9%	5.780%
95.0% - 97.1%	9	432,265,366	86.5	1.79x	2.46x	60.9%	5.780%
97.2%	1	49,875,780	10.0	1.79x	2.46x	60.9%	5.780%
<b>Total/Wtd. Average</b>	<b>11</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.79x</b>	<b>2.46x</b>	<b>60.9%</b>	<b>5.780%</b>

### Loan Group 1 Mortgage Pool Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group 1 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
1986 - 1989	2	\$84,557,712	16.9%	1.79x	2.46x	60.9%	5.780%
1990 - 1994	1	69,312,259	13.9	1.79x	2.46x	60.9%	5.780%
1995 - 1999	1	24,980,280	5.0	1.79x	2.46x	60.9%	5.780%
2000 - 2004	5	272,917,942	54.6	1.79x	2.46x	60.9%	5.780%
2005 - 2009	1	30,372,953	6.1	1.79x	2.46x	60.9%	5.780%
2010 - 2012	1	17,858,854	3.6	1.79x	2.46x	60.9%	5.780%
<b>Total/Wtd. Average</b>	<b>11</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.79x</b>	<b>2.46x</b>	<b>60.9%</b>	<b>5.780%</b>

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### Stratifications of the Loan Group 2 Underlying Mortgage Loans

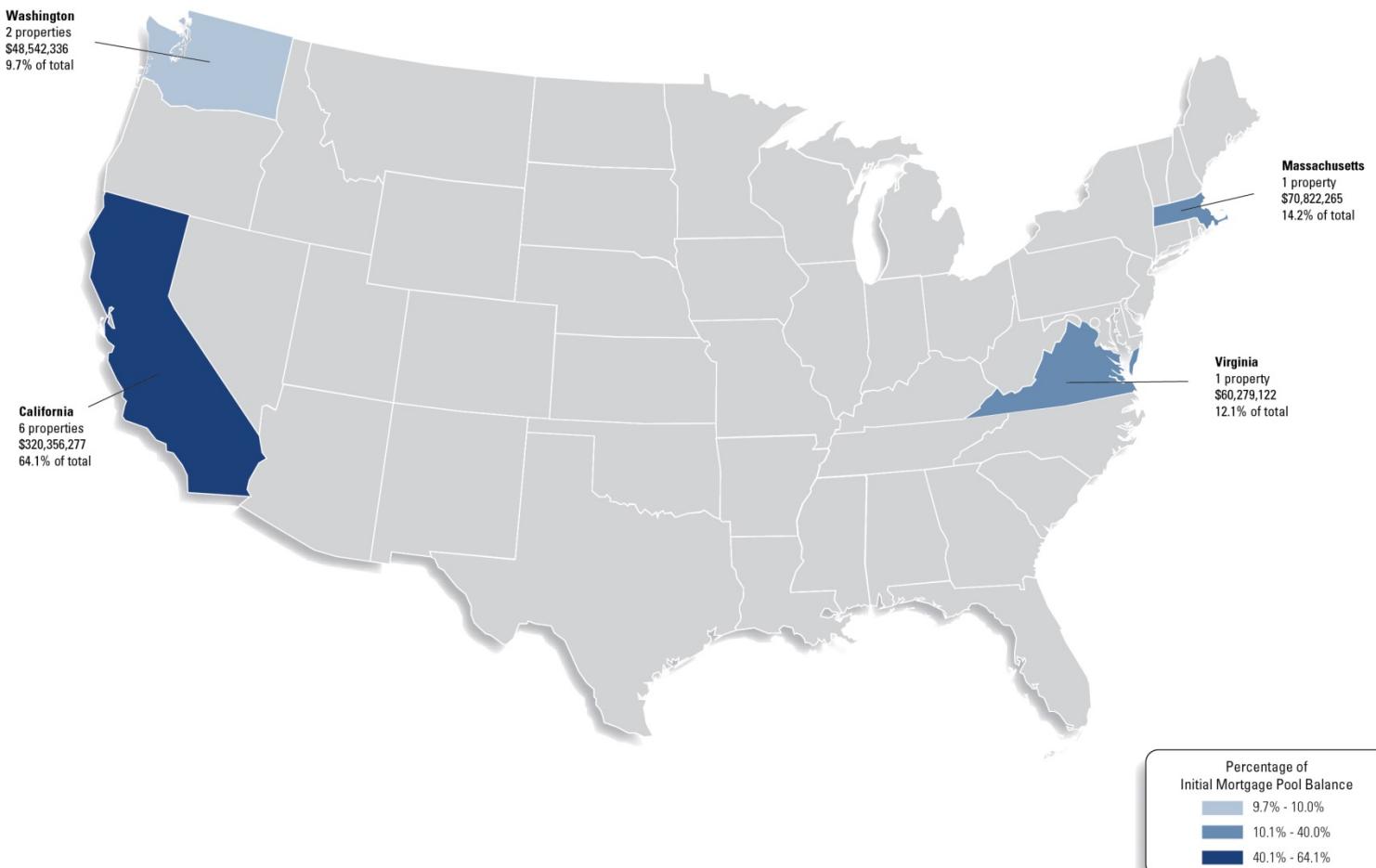
#### Loan Group 2 Underlying Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	% of Initial Loan Group 2 Balance	Underwritten NCF DSCR	Most Recent NCF DSCR	Cut-off Date LTV Ratio	Mortgage Rate
Toscana Apartments	1	Mid Rise	Irvine, CA	\$98,092,566	19.6%	1.29x	1.76x	71.4%	5.190%
Longview Place	1	Mid Rise	Waltham, MA	70,822,265	14.2	1.29x	1.76x	71.4%	5.190%
Siena Terrace	1	Garden	Lake Forest, CA	64,485,107	12.9	1.29x	1.76x	71.4%	5.190%
Town Square At Mark Center	1	Garden	Alexandria, VA	60,279,122	12.1	1.29x	1.76x	71.4%	5.190%
Skyview Apartments	1	Garden	Rancho Santa Margarita, CA	47,206,845	9.4	1.29x	1.76x	71.4%	5.190%
Versailles Koreatown Apartments	1	Mid Rise	Los Angeles, CA	45,990,686	9.2	1.29x	1.76x	71.4%	5.190%
Del Mar Ridge	1	Garden	San Diego, CA	39,555,622	7.9	1.29x	1.76x	71.4%	5.190%
Heights On Capitol Hill	1	Mid Rise	Seattle, WA	25,900,949	5.2	1.29x	1.76x	71.4%	5.190%
Avanti	1	Garden	Anaheim, CA	25,025,451	5.0	1.29x	1.76x	71.4%	5.190%
Metro On First	1	Mid Rise	Seattle, WA	22,641,387	4.5	1.29x	1.76x	71.4%	5.190%
<b>Total/Wtd. Average</b>	<b>10</b>			<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.29x</b>	<b>1.76x</b>	<b>71.4%</b>	<b>5.190%</b>

#### Loan Group 2 Mortgage Pool Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group 2 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
California	6	\$320,356,277	64.1%	1.29x	1.76x	71.4%	5.190%
Southern California	6	320,356,277	64.1	1.29x	1.76x	71.4%	5.190%
Massachusetts	1	70,822,265	14.2	1.29x	1.76x	71.4%	5.190%
Virginia	1	60,279,122	12.1	1.29x	1.76x	71.4%	5.190%
Washington	2	48,542,336	9.7	1.29x	1.76x	71.4%	5.190%
<b>Total / Wtd. Average</b>	<b>10</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.29x</b>	<b>1.76x</b>	<b>71.4%</b>	<b>5.190%</b>

#### Collateral Locations



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### Loan Group 2 Mortgage Pool Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group 2 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
\$22,641,387 - \$29,999,999	3	\$73,567,787	14.7%	1.29x	1.76x	71.4%	5.190%
\$30,000,000 - \$39,999,999	1	39,555,622	7.9	1.29x	1.76x	71.4%	5.190%
\$40,000,000 - \$54,999,999	2	93,197,531	18.6	1.29x	1.76x	71.4%	5.190%
\$55,000,000 - \$69,999,999	2	124,764,229	25.0	1.29x	1.76x	71.4%	5.190%
\$70,000,000 - \$89,999,999	1	70,822,265	14.2	1.29x	1.76x	71.4%	5.190%
\$90,000,000 - \$98,092,566	1	98,092,566	19.6	1.29x	1.76x	71.4%	5.190%
<b>Total / Wtd. Average</b>	<b>10</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.29x</b>	<b>1.76x</b>	<b>71.4%</b>	<b>5.190%</b>

### Loan Group 2 Mortgage Pool Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Loan Group 2 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Substitution	5	\$295,330,826	59.1%	1.29x	1.76x	71.4%	5.190%
Refinance	5	204,669,174	40.9	1.29x	1.76x	71.4%	5.190%
<b>Total/Wtd. Average</b>	<b>10</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.29x</b>	<b>1.76x</b>	<b>71.4%</b>	<b>5.190%</b>

### Loan Group 2 Mortgage Pool Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group 2 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
Mid Rise	5	\$263,447,853	52.7%	1.29x	1.76x	71.4%	5.190%
Garden	5	236,552,147	47.3	1.29x	1.76x	71.4%	5.190%
<b>Total/Wtd. Average</b>	<b>10</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.29x</b>	<b>1.76x</b>	<b>71.4%</b>	<b>5.190%</b>

### Loan Group 2 Mortgage Pool Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group 2 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
93.4% - 94.9%	3	\$194,815,780	39.0%	1.29x	1.76x	71.4%	5.190%
95.0% - 98.7%	6	280,158,769	56.0	1.29x	1.76x	71.4%	5.190%
98.8%	1	25,025,451	5.0	1.29x	1.76x	71.4%	5.190%
<b>Total/Wtd. Average</b>	<b>10</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.29x</b>	<b>1.76x</b>	<b>71.4%</b>	<b>5.190%</b>

### Loan Group 2 Mortgage Pool Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Loan Group 2 Balance	Weighted Average Underwritten NCF DSCR	Weighted Average Most Recent NCF DSCR	Weighted Average Cut-off Date LTV Ratio	Weighted Average Mortgage Rate
1988 - 1989	2	\$89,510,558	17.9%	1.29x	1.76x	71.4%	5.190%
1990 - 1994	1	98,092,566	19.6	1.29x	1.76x	71.4%	5.190%
1995 - 1999	2	107,485,967	21.5	1.29x	1.76x	71.4%	5.190%
2000 - 2004	2	93,463,653	18.7	1.29x	1.76x	71.4%	5.190%
2005 - 2009	2	71,891,635	14.4	1.29x	1.76x	71.4%	5.190%
2010 - 2011	1	39,555,622	7.9	1.29x	1.76x	71.4%	5.190%
<b>Total/Wtd. Average</b>	<b>10</b>	<b>\$500,000,000</b>	<b>100.0%</b>	<b>1.29x</b>	<b>1.76x</b>	<b>71.4%</b>	<b>5.190%</b>

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**EXHIBIT A-3**

**DESCRIPTION OF THE LOAN GROUPS**

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## Description of the Loan Groups

### 1. Loan Group 1



Original Principal Balance:	\$500,000,000
Cut-off Date Principal Balance:	\$500,000,000
Maturity Date Principal Balance:	\$500,000,000
% of Initial Mortgage Pool Balance:	50.0%
Loan Purpose:	Various
Interest Rate / Rate in Extension:	5.780% / L + 3.000%
First Payment Date:	August 1, 2009
Fully Extended Maturity Date:	July 1, 2020
Amortization:	Interest Only
Call Protection:	YM1%(119) O(13)
Cash Management:	N/A
Cut-off Date Principal Balance/Unit:	\$130,276
Maturity Date Principal Balance/Unit:	\$130,276
Cut-off Date LTV:	60.9%
Maturity Date LTV:	60.9%
Underwritten / Most Recent DSCR:	1.79x / 2.46x
Original Fixed Rate Term	120
Original Term to Maturity	132
Remaining Term to Maturity	32
Seasoning	100
# of Units:	3,838
Collateral:	Fee Simple
Location:	Various, CA, MA, WA, VA
Property Sub-type:	Various
Year Built / Renovated:	Various
Occupancy:	96.1% (6/30/2017)
Underwritten / Most Recent NCF:	\$51,687,047 / \$71,213,376



**Morgan Stanley**

## 2. Loan Group 2



Original Principal Balance:	\$500,000,000
Cut-off Date Principal Balance:	\$500,000,000
Maturity Date Principal Balance:	\$500,000,000
% of Initial Mortgage Pool Balance:	50.0%
Loan Purpose:	Various
Interest Rate / Rate in Extension:	5.190% / L + 2.400%
First Payment Date:	May 1, 2008
Fully Extended Maturity Date:	October 1, 2019
Amortization:	Interest Only
Call Protection:	YM1%(125) O(13)
Cash Management:	N/A
Cut-off Date Principal Balance/Bed:	\$184,706
Maturity Date Principal Balance/Bed:	\$184,706
Cut-off Date LTV:	71.4%
Maturity Date LTV:	71.4%
Underwritten / Most Recent DSCR:	1.29x / 1.76x
Original Fixed Rate Term	126
Original Term to Maturity	138
Remaining Term to Maturity	23
Seasoning	115
# of Beds:	2,707
Collateral:	Fee Simple
Location:	Various, CA, MA, WA, VA
Property Sub-type:	Various
Year Built / Renovated:	Various
Occupancy:	95.5% (6/30/2017)
Underwritten / Most Recent NCF:	\$33,448,470 / \$45,634,192

**Morgan Stanley**

**EXHIBIT B**

**FORM OF CERTIFICATE ADMINISTRATOR'S STATEMENT TO CERTIFICATEHOLDERS**

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<b>DATES</b>		
Payment Date:	Dec 26, 2017	First Payment Date:
Prior Payment:		Closing Date:
Next Payment:	Jan 25, 2018	Cut-off Date:
Determination Date:	Dec 11, 2017	Dec 25, 2017 Nov 28, 2017 Nov 1, 2017

<b>ADMINISTRATOR</b>
Name:
Title:
Address:

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**PARTIES TO THE TRANSACTION**

Mortgage Loan Seller: Federal Home Loan Mortgage Corporation  
Guarantor: Federal Home Loan Mortgage Corporation  
Depositor: Morgan Stanley Capital I Inc.  
Trustee: U.S. Bank National Association  
Certificate Administrator: U.S. Bank National Association  
Custodian: U.S. Bank National Association  
Master Servicer: Federal Home Loan Mortgage Corporation  
Special Servicer: Federal Home Loan Mortgage Corporation



**PAYMENT DETAIL**

Class	Pass-Through Rate	Next Pass-Through Rate	Original Balance	Beginning Balance	Principal Distribution	Interest Distribution	Total Distribution	Negative Amortization	Realized Loss	Ending Balance
A-G1										
A-G2										
X-G1										
X-G2										
<hr/>										
Totals:										

## FACTOR DETAIL

Class	Cusip	Beginning Balance	Principal Distribution	Interest Distribution	Total Distribution	Realized Loss	Ending Balance
A-G1							
A-G2							
X-G1							
X-G2							

**PRINCIPAL DETAIL**

Class	Beginning	Scheduled	Unscheduled	Realized	Ending	Deficiency Prin	Credit Support	
	Balance	Principal	Principal	Loss	Balance	Amount Paid	Original	Current
A-G1								
A-G2								
<hr/>								
<b>Totals:</b>								



## INTEREST DETAIL

Class	Accrued Certificate Interest	Net Prepay Interest Shortfall	Current Interest Shortfall	Deficiency Int Amount Paid	Prepayment Premium	Total Interest Distribution Amount	Cumul Unpaid Interest Shortfall
A-G1							
A-G2							
X-G1							
X-G2							

**RECONCILIATION OF FUNDS**

<b>Funds Collection</b>	<b>Funds Distribution</b>
<u>Interest</u>	<u>Fees</u>
Scheduled Interest	Master Servicing Fee
Interest Adjustments	Trustee Fee
Deferred Interest	Certificate Administrator Fee
Net Prepayment Shortfall	Master Servicer Surveillance Fee
Net Prepayment Interest Excess	Special Servicer Surveillance Fee
Interest Reserve (Deposit)/Withdrawal	CREFC® Intellectual Property Royalty
Interest Collections	License Fee
	Guarantee Fee
	Miscellaneous Fee
	Fee Distributions
<u>Principal</u>	<u>Additional Trust Fund Expenses</u>
Scheduled Principal	Reimbursed for Interest on Advances
Unscheduled Principal	Net ASER Amount
Principal Adjustments	Special Servicing Fee
Principal Collections	Workout Fee
	Liquidation Fee
	Special Serv Fee plus Adj.
	Non-Recoverable Advances
	Other Expenses or Shortfalls
	Additional Trust Fund Expenses
	Guarantor Reimb/ Reimb Int/ Timing Reimb
<u>Other</u>	<u>Payments to Certificateholders</u>
Static Prepayment Premium	Interest Distribution
Deficiency Amount	Principal Distribution
Guarantor Payment	Yield Maintenance
Yield Maintenance	Payments to Certificateholders
Other Collections	Total Distribution
Total Collection	

**ADDITIONAL RECONCILIATION DETAIL**
**Current Deficiency Detail:**

Class	Unpaid Accrued Interest	Balloon Guarantor Payment	Realized Loss and Additional Trust Fund Exp	Unpaid Prin on Assum'd Final Distrib Date	Deficiency Amount	Unpaid End Deficiency Amount
A-G1						
A-G2						
X-G1		NA		NA	NA	
X-G2		NA		NA	NA	

**Totals:**
**Cumulative Deficiency Detail:**

Class	Unpaid Accrued Interest	Balloon Guarantor Payment	Realized Loss and Additional Trust Fund Exp	Unpaid Prin on Assum'd Final Distrib Date	Paid Deficiency Amount
A-G1					
A-G2					
X-G1		N/A		N/A	N/A
X-G2		N/A		N/A	N/A

**Totals:**
**Advances:**

	Master Servicer	Special Servicer	Trustee
Principal Interest			
Current Net Adv			
Cumul Net Adv			

Interest on Adv

Current One-Month Libor

Next One-Month Libor

**Unreimbursed Indemnification Expenses:**

Party	Curr Accrued Indemn Exp	Curr Paid Indemn Exp	Cumul Unreimb Indemn Exp
Master Servicer			
Special Servicer			
Trustee/Certificate Admin/Custodian			
Depositor			

**Total:**
**Interest Reserve Account:**

	Beg Bal	(Withdraw)/Dep	End Bal
Reserve Activity			



## ADDITIONAL RECONCILIATION DETAIL

## Mortgage Loan Activity

		Number of Loans	Beginning Scheduled Balance		Current Principal Remittance			Available	Ending		Realized Losses	Ending Actual Balance
Group	Remaining				Realized Losses	Interest Remittance	Distribution Amount	Scheduled Balance	Since Cutoff			

**HISTORICAL BOND/COLLATERAL REALIZED LOSS RECONCILIATION**

Distribution Date	Loan ID	Curr Beg Sch Bal of Loan at Liquidation	Aggregate Realized Loss on Loans	Prior Real'd Loss Appl'd to Cert	Amt Covered by OC/other Credit Support	Int (Shortages) / Excesses appl'd to Real'd Loss	Mod Adj/ Appraisal Reduction Adj	Add'l (Recov) Exp appl'd to Real'd Loss	Real'd Loss Appl'd to Cert to Date	Recov of Real'd Loss paid as Cash	(Recov)/Real'd Loss Appl'd to Cert Int
				A	B	C	D	E			

**Loan Count:**
**Totals:**
Description of Fields

\*In the Initial Period the Current Realized Loss Applied to Certificates will equal Aggregate Realized Loss on Loans - B - C - D + E instead of A - C - D + E

A Prior Realized Loss Applied to Certificates

B Reduction to Realized Loss applied to bonds (could represent OC, insurance policies, reserve accounts, etc)

C Amounts classified by the Master as interest adjustments from general collections on a loan with a Realized Loss

D Adjustments that are based on principal haircut or future interest foregone due to modification

E Realized Loss Adjustments, Supplemental Recoveries or Expenses on a previously liquidated loan

### **HISTORICAL DELINQUENCY & LIQUIDATION SUMMARY**

	30 Days Delinq <sup>(1)</sup>		60 Days Delinq <sup>(1)</sup>		90+ Days Delinq <sup>(1)</sup>		Bankruptcy		Foreclosure		REO		Prepayments	
Month	Count	Balance	Count	Balance	Count	Balance	Count	Balance	Count	Balance	Count	Balance	Count	Balance

(1) Exclusive of loans in Bankruptcy, Foreclosure and REO

## REO STATUS REPORT

Loan ID	State	Scheduled Loan Amount	Ending REO Date	Total Exposure	Most Recent Value	Appraisal Reduction Amount	Date Asset Expected to be Resolved or Foreclosed	Net Proceed on Liquidation	Other Revenue Collected	Liquidation/Prepayment Date
<b>Count:</b>										
<b>Totals:</b>										

**HISTORICAL LIQUIDATION LOSS LOAN DETAIL**

Loan ID	Current Beginning Scheduled Balance	Most Recent Value	Liquidation Sales Price	Net Proceeds Received on Liquidation	Liquidation Expense	Net Proceeds Available for Distribution	Realized Loss to Trust	Current Period Adjustment to Trust	Date of Current Period Adjustment to Trust	Loss to Loan with Cumulative Adjustment to Trust
<hr/>										
Count: <b>Totals:</b>										

**INTEREST SHORTFALL RECONCILIATION**

Loan ID	Current Ending Scheduled Balance	Special Servicing Fee Amount plus Adjustments	Liquidation Fee Amount	Workout Fee Amount	Most Recent Net ASER Amount	Prepayment Interest (Excess)/ Shortfall *	Non-Recoverable (Scheduled Interest)**	Reimbursed Interest on Advances	Modified Interest Rate Reduction/ (Excess)	Reimbursement of Advances to Servicer Current Month	Outstanding	Other Shortfalls/ (Refunds)
---------	----------------------------------	---	------------------------	--------------------	-----------------------------	---	--	---------------------------------	--	---	-------------	-----------------------------

**Count:**
**Totals:**
**Total Interest Shortfall hitting the Trust:** **0.00**

\*Total shortfall may not match impact to bonds due to, but not limited to, the net effect of PPIE and Master Servicing fees received as per the governing documents.

\*\*In some cases, the Servicer does not withhold their Servicing Fees on Non-Recoverable loans.

## NOI LOAN DETAIL

Loan ID	ODCR	Property		State	End Schedule Balance	Most Recent Fiscal NOI	Most Recent NOI	Most Recent NOI Start Dt	Most Recent NOI End Dt	Occupancy %	Occupancy as of Date
Count:	Totals:										



## APPRAISAL REDUCTION REPORT

Loan ID	Property Name	Paid Through Date	ARA (Appraisal Reduction Amount)	ARA Date	Most Recent Value	Most Recent Valuation Date	Most Recent Net ASER Amount	Cumulative ASER Amount
Count:	<b>Totals:</b>							

**LOAN LEVEL DETAIL**

Loan ID	Property Type	Transfer Date	Maturity State*	Neg Date	End Schedule Balance	Note Rate	Sched P&I	Prepay Adj	Prepay Date	Paid Thru	Prepay Premium	Loan Status **	Interest Payment	Yield Maint Charges
---------	---------------	---------------	-----------------	----------	----------------------	-----------	-----------	------------	-------------	-----------	----------------	----------------	------------------	---------------------

**Count:**
**Totals:**

\* If State field is blank or 'XX', loan has properties in multiple states.

\*\* Loan Status: A = Payment not received but still in grace period; B = Late Payment but less than 30 days delinquent; 0 = Current; 1 = 30-59 Days Delinquent; 2 = 60-89 Days Delinquent; 3 = 90-120 Days Delinquent; 4 = Performing Matured Balloon; 5 = Non-Performing Matured Balloon; 6 = 121+ Days Delinquent; R = Repurchased.

## HISTORICAL LOAN MODIFICATION REPORT

Loan ID	Date of Last Modification	Balance When Sent to Special Servicer	Modified Balance	Old Note Rate	Modified Note Rate	Old P&I	Modified Payment Amount	Old Maturity Date	Maturity Date	Total Months for Change of Modification	Modification Code*

\*Modification Code: 1 = Maturity Date Extension; 2 = Amortization Change; 3 = Principal Write-Off; 4 =Not Used; 5 = Temporary Rate Reduction; 6 = Capitalization on Interest; 7 = Capitalization on Taxes; 8 = Other; 9 = RCombination; 10 = Forbearance.

**MATERIAL BREACHES AND DOCUMENT DEFECTS**

Loan ID	Ending Principal Balance	Material Breach Date	Date Received Notice	Description
<b>Count:</b> <b>Totals:</b>				

## MORTGAGE LOAN CHARACTERISTICS

## Property Type

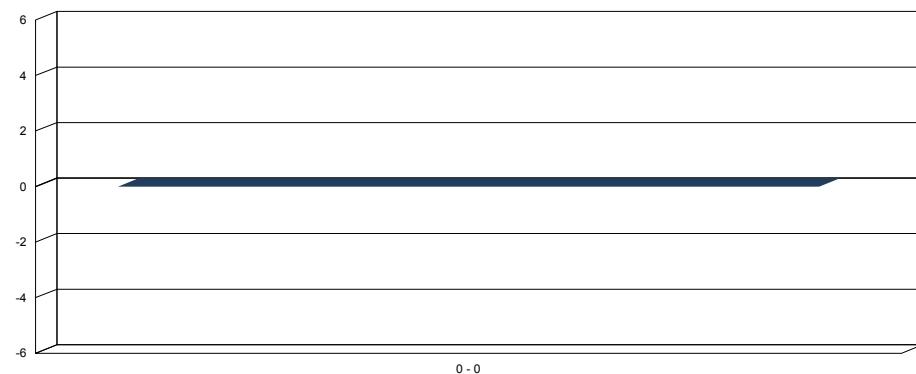
	Count	Balance (\$)	%
UNDEFINED	0	\$0.00	0.00%
Total	0	\$0.00	0.00%

■ UNDEFINED 0.0%  
Total: 100.0%

## Seasoning

Months	Count	Balance (\$)	%
0 - 0	0	\$0.00	0.00%
Total	0	\$0.00	0.00%

Total Weighted Average Seasoning: 0

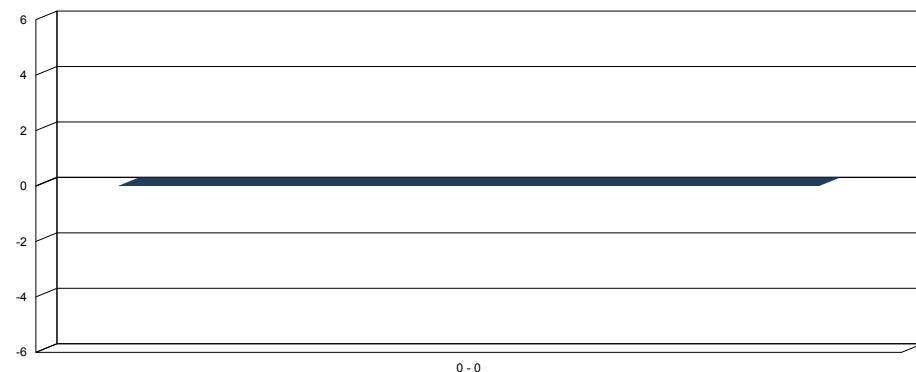


## MORTGAGE LOAN CHARACTERISTICS

## Remaining Term to Maturity

Months	Count	Balance (\$)	%
0 - 0	0	\$0.00	0.00%
Total	0	\$0.00	0.00%

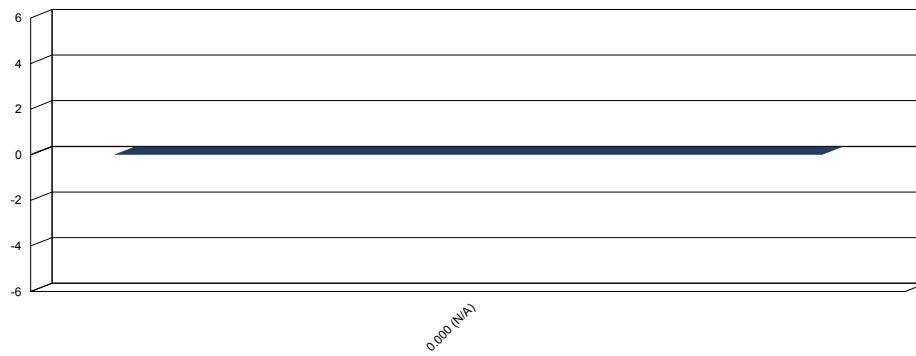
*Total Weighted Average Remaining Months: 0*



## DSCR

	Count	Balance (\$)	%
0.000 (N/A)	0	\$0.00	0.00%
Total	0	\$0.00	0.00%

*Total Weighted Average DSCR: 0.00*



## MORTGAGE LOAN CHARACTERISTICS

## Amortization Type

	Count	Balance (\$)	%
UNDEFINED	0	\$0.00	0.00%
Total	0	\$0.00	0.00%

■ UNDEFINED 0.00%  
Total: 100.00%

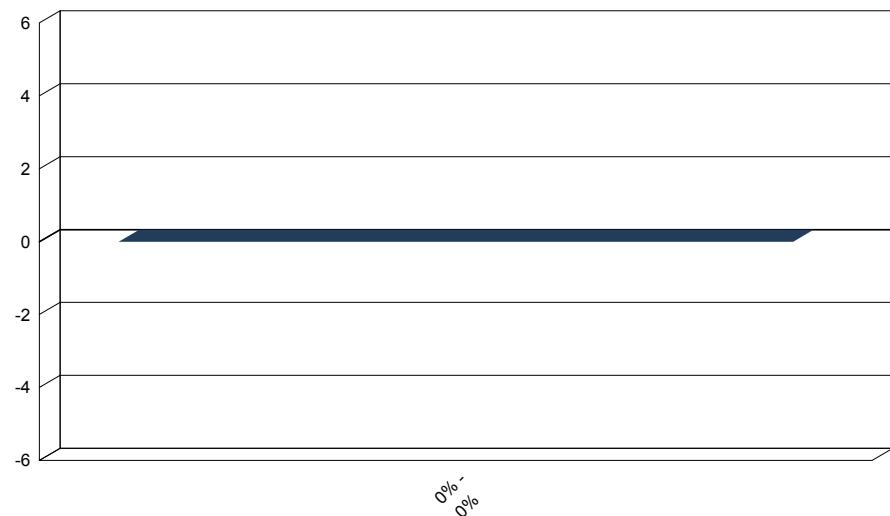
## Remaining Principal Balance

## MORTGAGE LOAN CHARACTERISTICS

## Gross Rate

	Count	Balance (\$)	%
0% - 0%	0	\$0.00	0.00%
Total	0	\$0.00	0.00%

*Total Weighted Average Rate: 0.00%*



**MORTGAGE LOAN CHARACTERISTICS****Geographic Distribution by State**

	Count	Balance (\$)	%
UNDEFINED	0	\$0.00	0.00%
Total	0	\$0.00	0.00%



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## EXHIBIT C-1

### **MORTGAGE LOAN SELLER'S REPRESENTATIONS AND WARRANTIES**

As of the Closing Date, the mortgage loan seller will make, with respect to each underlying mortgage loan sold by it that we include in the issuing entity, representations and warranties that are expected to be generally in the form set forth below. The exceptions to those representations and warranties are expected to be generally in the form set forth on Exhibit C-2. Capitalized terms used but not otherwise defined in this Exhibit C-1 will have the meanings set forth in this information circular or, if not defined in this information circular, in the mortgage loan purchase agreement.

The mortgage loan purchase agreement, together with the representations and warranties, serves to contractually allocate risk between the mortgage loan seller, on the one hand, and the issuing entity, on the other. We present the representations and warranties set forth below for the sole purpose of describing some of the expected terms and conditions of that risk allocation. The presentation of representations and warranties below is not intended as statements regarding the actual characteristics of the underlying mortgage loans, the mortgaged real properties or other matters. We cannot assure you that the underlying mortgage loans actually conform to the statements made in the representations and warranties that we present below.

For purposes of these representations and warranties, the phrase "to the knowledge of the mortgage loan seller" or "to the mortgage loan seller's knowledge" will mean, except where otherwise expressly set forth below, the actual knowledge of any of the individuals at the mortgage loan seller who were actively involved in the purchase and servicing of the underlying mortgage loans regarding the matters referred to below.

The mortgage loan seller represents and warrants, subject to the exceptions set forth in Exhibit C-2, with respect to each underlying mortgage loan, that as of the date specified below or, if no date is specified, as of the Closing Date, the following representations and warranties are true and correct in all material respects:

(1) Ownership.

- (a) Immediately prior to the transfer to the depositor of the underlying mortgage loans, the mortgage loan seller had good title to, and was the sole owner of, each underlying mortgage loan.
- (b) The mortgage loan seller has full right, power and authority to transfer and assign each of the underlying mortgage loans to the depositor and has validly and effectively conveyed (or caused to be conveyed) to the depositor or its designee all of the mortgage loan seller's legal and beneficial interest in and to the underlying mortgage loans free and clear of any and all liens, pledges, charges, security interests and/or other encumbrances of any kind.

(2) Loan Status; Waivers and Modifications.

Since the origination date and except pursuant to written instruments set forth in the related mortgage file or as described in the Pooling and Servicing Agreement as a Freddie Mac pre-approved servicing request, all of the following are true and correct:

- (a) the material terms of such mortgage, note and related loan documents have not been waived, impaired, modified, altered, satisfied, canceled, subordinated or rescinded in any respect,
- (b) no related mortgaged real property or any portion thereof has been released from the lien of the related mortgage in any manner which materially interferes with the security intended to be provided by such mortgage or the use, value or operation of such mortgaged real property, and
- (c) neither the borrower nor guarantor has been released from its obligations under the underlying mortgage loan.

(3) Whole Loan.

Each underlying mortgage loan is a whole loan and is not a participation interest in such underlying mortgage loan.

(4) Defaults.

- (a) There exists no monetary default (other than payments due but not yet more than 30 days past due) or, to mortgage loan seller's knowledge, material non-monetary default, breach, violation or event of acceleration under the related underlying mortgage loan.
- (b) To mortgage loan seller's knowledge, there exists no event that, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under such underlying mortgage loan; provided, however, that the representations and warranties set forth in this paragraph 4 do not address or otherwise cover any default, breach, violation or event of acceleration that specifically pertains to any matter otherwise covered by any other representation or warranty made by the mortgage loan seller in this Exhibit C-1; and, provided, further, that a breach by the borrower of any representation or warranty contained in any loan document (each, a "Borrower Representation") will not constitute a material non-monetary default, breach, violation or event of acceleration for purposes of this paragraph 4 if the subject matter of such Borrower Representation is covered by any exception to any representation or warranty made by the mortgage loan seller in this Exhibit C-1.
- (c) Since the origination date, except as set forth in the related mortgage file, neither the mortgage loan seller nor any servicer of the underlying mortgage loan has waived any material default, breach, violation or event of acceleration under any of the loan documents.
- (d) Pursuant to the terms of the loan documents, no person or party other than the holder of the note and mortgage may declare an event of default or accelerate the related indebtedness under such loan documents.

(5) [Reserved].

(6) [Reserved].

(7) [Reserved].

**EXHIBIT C-2**

**EXCEPTIONS TO MORTGAGE LOAN SELLER'S REPRESENTATIONS AND WARRANTIES**

NONE

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## EXHIBIT D

### DECREMENT TABLES FOR THE PRINCIPAL BALANCE CERTIFICATES

#### Percentage of Initial Principal Balance Outstanding For:

#### **Class A-G1 Certificates**

0% CPR During Lockout, Yield Maintenance and Prepayment Penalty Periods  
— Otherwise at Indicated CPR

#### Prepayments

<b>Following the Distribution Date in—</b>	<b>0% CPR</b>	<b>25% CPR</b>	<b>50% CPR</b>	<b>75% CPR</b>	<b>100% CPR</b>
Closing Date .....	100%	100%	100%	100%	100%
November 2018 .....	100%	100%	100%	100%	100%
November 2019 .....	100%	89%	75%	56%	0%
November 2020 and thereafter.....	0%	0%	0%	0%	0%
<b>Weighted average life (in years)</b> .....	<b>2.66</b>	<b>2.52</b>	<b>2.36</b>	<b>2.17</b>	<b>1.66</b>

#### **Class A-G2 Certificates**

0% CPR During Lockout, Yield Maintenance and Prepayment Penalty Periods  
— Otherwise at Indicated CPR

#### Prepayments

<b>Following the Distribution Date in—</b>	<b>0% CPR</b>	<b>25% CPR</b>	<b>50% CPR</b>	<b>75% CPR</b>	<b>100% CPR</b>
Closing Date .....	100%	100%	100%	100%	100%
November 2018 .....	100%	95%	89%	79%	0%
November 2019 and thereafter.....	0%	0%	0%	0%	0%
<b>Weighted average life (in years)</b> .....	<b>1.91</b>	<b>1.77</b>	<b>1.61</b>	<b>1.42</b>	<b>0.91</b>

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## Exhibit E

### PRICE/YIELD TABLES FOR CLASS X-G1 AND X-G2 CERTIFICATES

**Corporate Bond Equivalent (CBE) Yield of the Class X-G1 Certificates at Various CPRs\***  
**3.5860%\*\* Per Annum Initial Pass-Through Rate**  
**\$500,000,000 Initial Notional Amount**

0% CPR During Lockout, Yield Maintenance and Prepayment Penalty Periods  
 — Otherwise at Indicated CPR

Price (%)***	0% CPR CBE Yield (%)	25% CPR CBE Yield (%)	50% CPR CBE Yield (%)	75% CPR CBE Yield (%)	100% CPR CBE Yield (%)
4.0420	57.80	55.20	52.08	47.94	33.31
4.1420	54.71	52.09	48.94	44.75	29.98
4.2420	51.77	49.12	45.93	41.71	26.79
4.3420	48.95	46.28	43.06	38.79	23.73
4.4420	46.25	43.56	40.31	36.00	20.81
4.5420	43.67	40.95	37.68	33.33	18.00
4.6420	41.19	38.45	35.15	30.76	15.31
4.7420	38.80	36.04	32.72	28.29	12.71
4.8420	36.50	33.73	30.38	25.91	10.22
<b>Weighted Average Life (in years)</b>	<b>2.66</b>	<b>2.52</b>	<b>2.36</b>	<b>2.17</b>	<b>1.66</b>

\* Assumes the exercise of the right to purchase the underlying mortgage loans in the related Loan Group in the event the total Stated Principal Balance of Loan Group 1 is less than 1.0% of the initial Loan Group 1 balance, as described under "The Pooling and Servicing Agreement—Retirement" in this information circular.

\*\* Approximate.

\*\*\* Exclusive of accrued interest.

**Corporate Bond Equivalent (CBE) Yield of the Class X-G2 Certificates at Various CPRs\***  
**3.0340%\*\* Per Annum Initial Pass-Through Rate**  
**\$500,000,000 Initial Notional Amount**

0% CPR During Lockout, Yield Maintenance and Prepayment Penalty Periods  
 — Otherwise at Indicated CPR

Price (%)***	0% CPR CBE Yield (%)	25% CPR CBE Yield (%)	50% CPR CBE Yield (%)	75% CPR CBE Yield (%)	100% CPR CBE Yield (%)
1.6742	136.07	130.31	123.29	113.75	75.72
1.7742	121.38	115.54	108.42	98.73	60.36
1.8742	108.37	102.47	95.26	85.44	46.76
1.9742	96.77	90.81	83.53	73.60	34.65
2.0742	86.35	80.36	73.01	62.97	23.79
2.1742	76.94	70.91	63.51	53.38	14.00
2.2742	68.40	62.34	54.90	44.69	5.12
2.3742	60.60	54.52	47.04	36.76	(2.97)
2.4742	53.46	47.36	39.85	29.51	(10.37)
<b>Weighted Average Life (in years)</b>	<b>1.91</b>	<b>1.77</b>	<b>1.61</b>	<b>1.42</b>	<b>0.91</b>

\* Assumes the exercise of the right to purchase the underlying mortgage loans in the related Loan Group in the event the total Stated Principal Balance of Loan Group 2 is less than 1.0% of the initial Loan Group 2 balance, as described under "The Pooling and Servicing Agreement—Retirement" in this information circular.

\*\* Approximate.

\*\*\* Exclusive of accrued interest.

If you intend to purchase SPCs, you should rely only on the information in this Supplement, the Offering Circular and the Information Circular, including the information in the Incorporated Documents. We have not authorized anyone to provide you with different information.

This Supplement, the Offering Circular, the Information Circular and the Incorporated Documents may not be correct after their dates.

We are not offering the SPCs in any jurisdiction that prohibits their offer.

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**\$1,000,000,000  
(Approximate)**

## Freddie Mac

### Structured Pass-Through Certificates (SPCs) Series K-P04



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**November 16, 2017**