

Pooling Requirements for Adjustable-rate Giant PCs

Certain PC prefixes may be commingled to form a Giant PC if the following pooling rules are met. Please refer to the *Giant Prefix Eligibility Chart* (http://www.freddiemac.com/mbs/html/sd_giant_prefix.html) for prefix compatibility.

ARM Attribute	Pooling Requirement
Adjustment Period	All ARM PCs or ARM Giant PCs backing an ARM Giant PC must have the same adjustment period.
Convertibility	All convertible ARM PCs or convertible ARM Giant PCs may only be pooled with other convertible ARM PCs or convertible ARM Giant PCs.
Coupon	There is not a prescribed range for ARM Giant PC coupons.
Index	All ARM PCs or ARM Giant PCs backing an ARM Giant PC must have the same index.
Initial Cap Up/Down	Hybrid ARM PCs or Hybrid ARM Giant PCs backing a Hybrid ARM Giant PC must have the same initial cap up/down percentage. For example, Hybrid ARM PC with an initial cap up/down disclosed as <u>2.00</u> may only be pooled with a Hybrid ARM PC with an initial cap up/down disclosed as <u>2.00</u> .
Initial Interest	Initial Interest ARM PCs and Initial Interest ARM Giant PCs may only be pooled with other Initial Interest ARM PCs and Initial Interest ARM Giant PC, which have the same original interest only period and fully amortizing period.
Initial Period	Hybrid ARM PCs or Hybrid ARM Giant PCs backing a Hybrid ARM Giant PC must have the same initial period. For example, a Hybrid ARM PC with an initial period disclosed as <u>3</u> may only be pooled with a Hybrid ARM PC with an initial period disclosed as <u>3</u> . A Hybrid ARM PC with an initial period disclosed as <i>mixed</i> may only be pooled with a Hybrid ARM PC with an initial period disclosed as <i>mixed</i> .
Jumbo Conforming	Jumbo Conforming ARM PCs with the same characteristics may be pooled together under existing prefixes.
Lookback Period	All ARM PCs or ARM Giant PCs backing an ARM Giant PC must have the same lookback period.
PC Margin	There is not a prescribed range for ARM Giant PC margins.



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ARM Attribute	Pooling Requirement
Periodic Rate Cap	All ARM PCs or all Giant ARM PCs backing an ARM Giant PC must have the same periodic rate cap.
Pool Size	The minimum pool size for an ARM Giant PC is \$1MM UPB.
Prepayment Penalty Mortgages (PPMs)	All ARM PCs or ARM Giant PCs with prepayment penalty mortgages may only be pooled with other ARM PCs or ARM Giant PCs with prepayment penalty mortgages. ARM PCs with prepayment penalties are identified on our web and Bloomberg by a <u>Disclosure Flag</u> PPM: <u>Yes</u> or <u>No</u>
Reduced Minimum Servicing:	ARM PCs with minimum servicing spread less than 25 bps may only be pooled with Hybrid ARM PCs with minimum servicing spread less than 25 bps. ARM PCs with servicing below 25 basis points are identified on our web & Bloomberg by a <u>Disclosure Flag</u> Reduced Minimum Servicing: <u>Yes</u> or <u>No</u>
Weighted Average Mortgage Life Ceiling	There is not a prescribed range for ARM Giant PC life ceilings.
Weighted Average Mortgage Life Floor	ARM PCs and ARM Giant PCs with stated weighted average lifetime floors may be commingled with ARM PCs and ARM Giant PCs without stated weighted average lifetime floors. There is not a prescribed range for ARM Giant PC life floors.