

# FLOAT COMPENSATION CALCULATOR GUIDE

## OVERVIEW

Float compensation is a one-time payment that Freddie Mac will offer to compensate holders for the additional 10 days in payment delay when they exchange 45-day PCs for 55-day securities. It will be paid the same day as the exchange security settlement as a one-time cash payment via Fed wire. Freddie Mac is providing this tool to aid investors in calculating the estimated float compensation payable on their 45-day securities prior to initiating an exchange transaction. The Float Compensation Calculator allows users to enter the pool, CUSIP and the par amount that they wish to exchange and provides the calculated float compensation based on the pricing grid version imbedded in the tool.

A definitive calculation of "float compensation" will not be available until an exchange of eligible 45-day delay securities is effected by the holder of the securities through Freddie Mac's Dealer Direct online portal or through Tradeweb. Confirmation of this value is required as part of the exchange transaction booking process. This calculation tool does not constitute an offer to sell or exchange any securities of Freddie Mac.

Once the Exchange Offer commences in May 2019, we will publish an updated calculator every time a new mirror certificate is issued, a new pricing grid is published and/or new factors are published. Prior to Exchange Offer go-live an updated calculator will be provided monthly on the 7th business day.

The Float Compensation Calculator has two tabs detailed below.

## MASTER REPORT TAB

45 Day Pool Number	45 Day CUSIP	Original Par	45 Day Term (Yrs)	Coupon	55 Day Pool Number	55 Day CUSIP	Factor
A38225	31297UD64	\$37,285,999.00	30	5.5	ZI3637	3131WGBE8	0.03577807
A32236	31297MPV4	\$2,164,500.00	30	5.5	ZI3015	3131WFK42	0.14982839
A32245	31297MP69	\$20,373,742.00	30	4.5	ZI3016	3131WFK59	0.04810885
A32253	31297MQE1	\$1,002,134.00	30	5	ZI3017	3131WFK67	0.0485795
A32278	31297MQ76	\$2,582,020.00	30	5.5	ZI3018	3131WFK75	0.03036159
A32298	31297MRT7	\$3,102,073.00	30	6.5	ZI3019	3131WFK83	0.03573313
A32306	31297MR34	\$6,263,288.00	30	6	ZI3020	3131WFK91	0.06233212
A32307	31297MR42	\$4,344,879.00	30	6	ZI3021	3131WFLA7	0.06595819
A32353	31297MTJ7	\$49,513,931.00	30	5	ZI3022	3131WFLB5	0.01372246

- The Master Report Tab contains each 45-day pool eligible for exchange along with a mapping to its corresponding 55-day mirror certificate and indicative float compensation pricing details by CUSIP.

## CALCULATOR TAB

To use the calculator, populate the 45-day pool number and/or CUSIP along with the associated original par amount you wish to calculate, as displayed in the sample below.

45 Day Securities to Deliver (Data Input)		
Pool Number	CUSIP	Original Par (\$)
B27558	31312JMF0	330000
B27579	31312JM45	200000
F97529		500000
	31312JMF0	280000
B27579	31312JM45	250000

Once details are entered, click on the **“Calculate Float Compensation”** button at the top of the page. All corresponding values will be populated into the “55 Day Securities to be Received” and “Pricing Information” sections. Total float compensation is calculated based on the original par amount entered. The pricing grid version and factor date will populate at the top of the screen.

**Over All Status** Success [5]

**Total Fair Value (\$)** \$833.88

**Total Incentive (\$)** \$0.00

**Total Float Compensation (\$)** \$833.88

Price Grid Version  
 Price Grid Effective Date  
 Factor Date

Term (Yrs)	Coupon	55 Day Securities to Be Received				Pricing Information									
		Pool Number	CUSIP	Factor	Base (Ticks)	Loan Bal (Ticks)	FICO (Ticks)	LTV (Ticks)	WALA (Ticks)	Total Fair Value (Ticks)	Fair Value (\$)	Incentive (Ticks)	Incentive (\$)	Total Float Comp (\$)	
30	3.500	ZA0030	31329HA76	0.59925507	2.750	0.000	0.000	0.000	0.000	2.750	169.94	0.000	0.00	169.94	
30	4.500	ZA0042	31329HBK6	0.95615835	2.750	0.000	0.000	0.000	0.000	2.750	164.34	0.000	0.00	164.34	
20	4.000	ZA2922	31329LG71	0.34903548	2.750	0.000	0.000	0.000	0.000	2.750	149.98	0.000	0.00	149.98	
30	3.500	ZA0030	31329HA76	0.59925507	2.750	0.000	0.000	0.000	0.000	2.750	144.20	0.000	0.00	144.20	
30	4.500	ZA0042	31329HBK6	0.95615835	2.750	0.000	0.000	0.000	0.000	2.750	205.42	0.000	0.00	205.42	

**Over All Status** will populate to show success or fail based on the tool's ability to calculate float compensation for the pool number, CUSIP and par amount entered. The aggregate float compensation total for all pools successfully calculated will also be displayed.

**Over All Status** Success: [5] , Fail: [4]

**Total Fair Value (\$)** \$833.88

**Total Incentive (\$)** \$0.00

**Total Float Compensation (\$)** \$833.88

If the par amount entered is less than \$1,000 or greater than the original par amount, or if the pool number or CUSIP entered is not eligible for exchange, an error message will appear in the comments section. See example below:

Comments
PAR amount should be greater than or equal to \$1000
The Pool is not eligible for exchange
The CUSIP is not eligible for exchange
PAR amount is greater than Original PAR

Other available actions are:

- **Download Calculation Results:** Allows users to export the calculation results to an Excel spreadsheet.
- **Download Exchange File:** Allows users to download a .csv file in the format that can be uploaded to Dealer Direct. This feature is relevant for investors leveraging a dealer to execute an exchange.
- **Download Master Report:** Allows users to download the Master Report tab in full.
- **Clear:** Allows users to clear the values entered into the calculator for users to start over.