



Payment Calculations for Mortgage-Backed Securities

The formulas listed below will help calculate the interest payments and principal payments for Freddie Mac's mortgage-backed securities products. Examples of how a June payment is calculated for PCs, REMIC tranches and Ginnie Mae-backed REMICS are found on the reverse side. The "Payment Date" is the 15th day of each month or, if the 15th day is not a business day, the next business day.

June Payment Example

45-day Gold PCs, REMICs & Strips, Ginnie Mae-backed REMICs and Strips

$$\text{Interest Payment} = (\text{PAR})(\text{May Factor})(\text{Rate}/12)$$

$$\text{Principal Payment} = (\text{May Factor} - \text{June Factor})(\text{PAR})$$

75-day Fixed, ARM PC Pools and REMIC Tranches

$$\text{Interest Payment} = (\text{PAR})(\text{April Factor})(\text{Rate}/12)$$

$$\text{Principal Payment} = (\text{April Factor} - \text{May Factor})(\text{PAR})$$

Definitions

PAR = Original Security Balance at Issuance

Rate = Coupon Interest Rate

Factor = Eight digit decimal which represents the percentage of the original balance of the pool or tranche that is outstanding as of a given date

June Payment		45-Day	75-Day
Participation Certificate (PC)			
<ul style="list-style-type: none"> 1 Record Date 15 Payment Date 31 Accrual Period 			
<p>Based on : 30 day month and 360 day year Consult your Offering Circular Supplement to determine the accrual period that corresponds with your REMIC.</p>	REMIC Tranche (Fixed or Floater with Delay)		
			<p style="text-align: center;">OR</p>
<p>Hint: Factor disclosed in first month is applicable to accrual period shown</p>	REMIC Tranche (Floater with Zero Delay)		
<p>Ginnie Mae- backed REMICS have a number of different payment dates. Consult your Offering Circular Supplement to determine the date that corresponds with your REMIC.</p>	Ginnie Mae Backed REMICS		
	<p>(Fixed & Floater with Delay) →</p>	<p>(Floater with Zero Delay) ←</p>	

For additional information about Freddie Mac payment calculations and mortgage-backed securities, visit Freddie Mac's Web site at www.FreddieMac.com/mbs or contact Investor Inquiry at (800) 336-3672.

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