



> Product Overview: **REMIC Program**

Freddie Mac has a history of a strong Real Estate Mortgage Investment Conduit (REMIC) program. Driven by a commitment to satisfying evolving market demands, efficient processes and superior service through the life of an investment, Freddie Mac's REMIC program is successful because it is customer-focused. The highly experienced dealers in Freddie Mac's REMIC Dealer Group serve as quality underwriters and liquidity providers of REMIC products.

What is a REMIC?

A REMIC is a multiclass, mortgage-backed security in which cash flows from the underlying assets are allocated to individual bonds, called tranches, of varying maturities, coupons and payment priorities. REMICs

are sometimes referred to as CMOs, or Collateralized Mortgage Obligations. The Tax Reform Act of 1986 introduced REMICs to the market, which enabled great flexibility in structuring bond classes with varying maturities and risk profiles within a single transaction.

Freddie Mac began issuing REMICs in March 1988 and issued the first REMIC backed by Gold PCs in October 1990. Gold PCs are the cornerstone product of Freddie Mac's mortgage-backed securities program. Fixed-income investors in the United States and abroad place a high value on the quality and liquidity of Gold PCs. Freddie Mac's innovative structured products such as REMICs continue to increase demand for Gold PCs and enable investors to better manage their portfolios.

The Market Leader

From simple to highly complex and innovative structures, to rapid deal turnaround and reliable payment and disclosure, Freddie Mac provides superior support for investor and dealer REMIC needs in all market environments. Dealers have the ability to use customized collateral to develop unique cash flows designed to suit investor needs. Since Freddie Mac issued the first CMO in 1988, Freddie Mac has been the standard for the industry.

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Freddie Mac's history and track record of innovation contribute to the best execution for dealers and a multitude of investment options for investors. Since the 1990s, Freddie Mac has brought the market the first retail classes, Modifiable and Combinable Strip securities (Gold MACS), Callable REMICs (CPC), Modifiable and Combinable REMICs (MACRs), Guaranteed Maturity Classes (GMC) and Reference REMICs®. Freddie Mac has delved deeper into the fixed-income market by providing customers with tailored solutions to market-driven investment needs. This is done by creating new structured products that appeal to a variety of investors already involved in the REMIC market, and those that had previously been precluded from investing in REMIC bonds given the constraint of extension risk.

REMIC issuance is a complex, detailed venture — Freddie Mac's efficient processes, combined with new technologies, ensure Freddie Mac's ability to bring REMICs to market on schedule and to consistently deliver timely investor reporting. Freddie Mac continually refines its processes, providing investors and dealers with a business partner upon whom they can rely for accurate and timely information.

Investor Tools

From pricing and settlement through post-sale, Freddie Mac has responsive and knowledgeable professionals that assist dealers and investors every step of the way. Communication with business partners is important to Freddie Mac — it fuels the quick turnaround of transactions and provides quick access to information post-sale. Transaction managers, Web-based securities information and FMAC, Freddie Mac's Bloomberg site, are just a few of the informational tools Freddie Mac uses to provide exceptional service.

■ *Transaction Managers*

Freddie Mac supports the entire REMIC process using transaction managers in its Mortgage Funding department. Freddie Mac's transaction managers work with dealers through every step of a transaction. To speak with a transaction manager about Freddie Mac's REMIC program, call toll-free at (866) 903-2767.

■ *Investor Inquiry*

Investor Inquiry is Freddie Mac's team of securities specialists who answer hundreds of calls each month from dealers and investors of mortgage securities products. Investor Inquiry answers a wide range of questions from general questions about disclosure to security-specific inquiries. Dealers and investors can reach Investor Inquiry at (800) 336-3672 from 9:00 a.m. to 5:00 p.m, EST, Monday through Friday.

- **www.FreddieMac.com/mbs**

Freddie Mac provides a comprehensive array of data, including tax information and historical information for mortgage-related securities and structured products on its Web site. The latest Offering Circulars and their supplements, as well as new issue announcements, are also available online. To access securities information, visit Freddie Mac's Web site at www.FreddieMac.com/mbs.

- **FMAC <GO>**

A wide range of information and data is available on Freddie Mac's Bloomberg site. View recently priced REMICs, structured product fees, announcements regarding Freddie Mac's REMIC program, as well as a number of other reports and product information.

- **Gold Perspective®**

Gold Perspective, a publication for the mortgage-backed securities investment community, features insights into the mortgage market and the products that Freddie Mac offers as well as a data bank with useful historical data for market participants.

Expertise

Beyond innovative transactions and superior technology and service, Freddie Mac provides market and technical expertise to REMIC dealers and investors. Expertise in modeling, legal and tax set the foundation for sound structures and smooth servicing of a REMIC investment. Highly skilled modelers reverse engineer the transaction's cash flows to fit targeted structures. Legal experts advise on all legal aspects of a REMIC transaction, including the development of offering documents. Tax experts understand the reporting requirements and implications of REMIC structures and provide timely information to appropriate parties.

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For additional information about Freddie Mac REMICs, visit Freddie Mac's Web site at www.FreddieMac.com/mbs/html/product/remics.html or contact Investor Inquiry at (800) 336-3672.

