

Countdown to Go Live

With June 3 just around the corner, Fannie Mae and Freddie Mac would like to thank you for your support of the Single Security Initiative. We recognize that this effort has required an incredible amount of hard work and coordination across all industry participants. Our goal from the start was to try to effect a smooth transition to UMBS™ – and so far, all signs point to a positive outcome heading into June 3. To date, forward trading volumes have exceeded usual market activity, pricing has been orderly, financing has been seamless, and PC exchanges have gone well. The focus and teamwork across the industry has helped lay the foundation for a better outcome.

As we enter the new UMBS market, please remember that our teams here at Freddie Mac and Fannie Mae remain a resource to support you. As always, if there are any questions or concerns, please reach out to our teams at Single_Security@FreddieMac.com or Single_Security@FannieMae.com.

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Exchange Review

On Tuesday, May 7, Freddie Mac's Gold PC Exchange program opened broadly to the market. Through May 22, Freddie Mac had settled \$58.3B in original par and \$49.7B in UPB of exchange-eligible securities. Overall the exchange program had a successful launch, which was a large stepping-stone toward UMBS Go Live on June 3.

SWIFT Communication with Custodians

The custodian community has provided instructional requirements for communicating pending exchange settlements via SWIFT. Review the table below and confirm that your SWIFT messages include the appropriate details. If you are communicating pending settlements via other means, please reach out to your custodian(s) to confirm the correct format and details, including clearly marking the transactions as exchanges.

Primary Considerations	Dealer-Facilitated Path	Direct-to-Freddie Mac Path
Message Type	Deliver vs Payment - MT543 Receive vs Payment - MT541	Free of Payment Deliver - MT542 Free of Payment Receive - MT540
Universal Exchange Reference Identifier *	:20C::COMM//UMBS00345678 12 characters	:20C::COMM//UMBS00345678 12 characters
Exchange Code Words**	:22F::STCO/FHMC/UMBS	:22F::STCO/FHMC/UMBS
Counterparty details	Dealer counterparty instructions	ABA#: 021033205 Beneficial account: 2BD5 (REC) & 2BD7 (DEL) Buyer/Seller: FMACUS33
Float Compensation	Float compensation Included in DVP net settlement amount	MT210 to highlight expected float compensation

* The Universal Exchange Reference Identifier should be a unique 12-character ID and exclude '/' in the data field when combining the UMBS prefix and the 8-digit reservation number.

** Exchange Code Words will allow custodian to identify the trades as exchanges for purposes of accounting and tax reporting.

Exchange Booking and Settlement Calendar for 2019; Exchange and Resecuritization Timing

Freddie Mac has developed an [exchange booking and settlement calendar](#) to show booking and settlement dates from June through the end of this year.

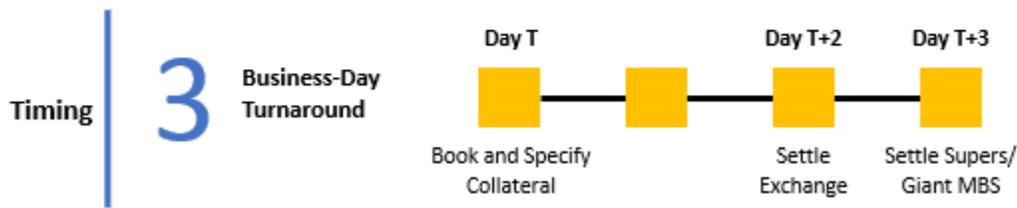
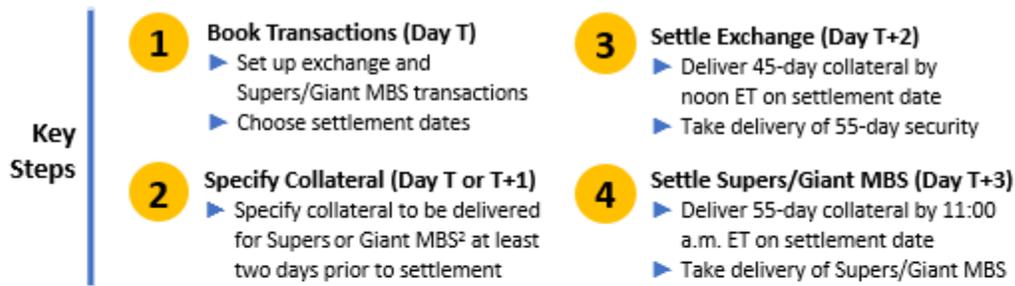
June will be the first month for new UMBS issuance and the first UMBS trade settlements, apart from exchanges. As such, we expect there could be many exchanges settling to close trades on the Reg A & B days – June 13 and June 18. Dealers and investors who want to use exchanged securities for June UMBS settlements should plan to book their exchange transactions as soon as possible.

In the Dealer DirectSM path, exchanges may be booked in May or June for June settlement.

In the Direct-to-Freddie path, exchanges may be booked for the current month only. Further, as the booking and settlement calendar shows, the first four business days of each month are blacked out for bookings in this path. The first day for bookings in the Direct-to-Freddie path will be June 7.

Finally, please remember to budget additional time for SupersSM and REMIC settlements if you expect to exchange securities for these transactions first. The following graphic displays the key steps and timing associated with an exchange followed by a Supers

transaction. Note that exchanges and resecuritizations may have different booking and settlement blackout days. Additional scenarios – including REMICs – are detailed [here](#).



Single Security Resources

- Single Security Websites: [Freddie Mac Single Security](#) or [Fannie Mae Single Security](#)
- Exchange Website: [Freddie Mac Gold PC Exchange](#)
- Other Helpful links:
 - [Single Security Market Adoption Playbook](#)
 - [Exchange Activity Reports](#)
 - [Single Security FAQs](#)
 - [Exchange FAQs](#)
 - [Float Compensation Tools](#)
- Questions? Reach out to:
 - General inquiries: Single_Security@freddiemac.com or SingleSecurity@fanniemae.com
 - Exchange-specific inquiries: Exchange_Ops@FreddieMac.com
 - Direct-to-Freddie Mac via Tradeweb path questions: UMBS@tradeweb.com
 - Freddie Mac Single Security Hotline: call 800-336-3672 and press '1' for the Investor Hotline, then '2' for the Single Security Hotline
 - Fannie Mae Hotline: call 800-2FANNIE and press '3' for the Investor Hotline

Tidbits

- **Exchange Booking and Settlement Guides** | Freddie Mac recently shared the [Dealer Direct Exchange Booking and Settlement Guide](#) and [Direct-to-Freddie Exchange Booking and Settlement Guide](#) to help market participants through the exchange process.
- **Freddie Mac Approved Dealers List** | Freddie Mac has posted the [Approved Dealer List](#) for Gold PC Exchange (via the Dealer Direct Exchange Path).



Helpful links

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**SEC Confirmation
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[*What Does It Mean for Freddie Mac Seller/Serviceers?*](#)