

Market Readiness Survey

In June 2018, Freddie Mac and Fannie Mae conducted a second survey with market participants to determine the industry's readiness for implementation of the Single Security Initiative. Additionally, the Enterprises wanted to determine what progress had been made since the survey conducted in January, and identify any outstanding issues that need to be addressed. Below are some of the key results from the 115 industry participants that completed the survey:

- 97% of the respondents reported awareness of the Single Security Initiative and 80% indicated that they understand how this initiative will affect their functional business area.
- 88% of responses stated that their firms have assigned or plan to assign the appropriate resources to implement any required changes to be ready for Go-live on June 3, 2019.
- 58% of stakeholders have already reached out to their clients about readiness and an additional 33% are planning to communicate with their clients in the future.
- 62% of the respondents have already spoken to their vendors about readiness and an additional 28% are planning to do so.
- 48% of responding Gold PC holders stated they plan to exchange some or all of their portfolio within 3-6 months after Go-live and 22% indicated they plan to exchange some or all of their portfolio immediately upon Go-live. 28% of responding Gold PC holders stated they currently plan to exchange only upon sale or have no plan to exchange.
- 67% of responding Gold PC holders prefer to Exchange directly with Freddie Mac while the other 33% prefer to exchange through a Freddie Mac authorized dealer.

These results display an increase in awareness, understanding, and action within the industry since the last survey was fielded. The results also gave insight into areas where the Enterprises can offer support to the market as it gets ready, including helping to ensure 3rd party readiness, providing training and knowledge-sharing opportunities, providing on-demand support, facilitating testing, and securing answers to outstanding market questions.

Exchange Update

Freddie Mac recently announced that, in addition to the dealer-facilitated proposed Gold PC and Giant PC exchange path, there will be a second path that allows investors to perform exchanges directly with Freddie Mac. For the dealer-facilitated exchange path, exchange requests will be submitted on behalf of investors by authorized exchange dealers through Freddie Mac's Dealer DirectSM portal. The "direct-to-Freddie Mac" exchange path will allow investors to book exchanges directly with Freddie Mac using Tradeweb to facilitate. Investors will be able to request exchanges through their order management systems' integration with Tradeweb or enter them into Tradeweb directly.

Freddie Mac has created an [exchange web page](#) to provide additional details associated with the proposed exchange, which also posts sample exchange float compensation pricing grids and allows searches for exchange data disclosure files. Freddie Mac will continue to share details on specific exchange paths and plans to hold webinars to address market questions.

Tabletop Exercise Planning

TABLETOP EXERCISE APPROACH



On Monday July 30, Freddie Mac and Fannie Mae jointly hosted a tabletop testing working group session at Bloomberg's office in New York City. This event was focused on bringing key stakeholders from various sectors together to identify potential scenarios for the live exercise and begin planning the live Tabletop Testing exercise scheduled for Q4 2018. Freddie Mac and Fannie Mae led a discussion with the working group participants, who identified performing a TBA trade, dollar rolls over the transition, Gold PC exchanges and commingled issuances as potential scenarios for the live exercise. The working group will meet again on September 10 to continue to develop scripts and materials for the exercise. If you would like to get more information on how you can be involved in the Tabletop Exercise working group, please reach out to jamie_miller@freddiemac.com or stephanie_milner@fanniemae.com.

Additional News

Freddie Mac (800-336-3672), Option 1, then Option 2 and Fannie Mae (800-2FANNIE), Option 3 have investor hotlines to assist with any Single Security Initiative questions.

The [Vendor Testing Timeline](#) includes major testing milestones from key stakeholders across the industry. The Enterprises anticipate additional stakeholders to be included on the timeline in the next 2 weeks. If you are a vendor that is conducting client testing for the Single Security Initiative, please contact single_security@freddiemac.com or single_security@fanniemae.com to have your plans included on the timeline.



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Freddie Connect

September 23-25,

Chicago, IL

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SFIG Residential Mortgage Symposium

October 29-30, New York, NY

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