



Servicer Incentive Program

Earn Rewards for Servicing Excellence

You work hard to help homeowners stay in their homes and meet the challenges of top-quality servicing. Your dedication to excellence yields tangible benefits with Freddie Mac's newly revised Servicer Incentive Program. We're working with you today and tomorrow to match your accomplishments with incentives through this exclusive program.

> Servicer Benefits

Our Servicer Incentive Program is designed to

- Reward you for superior servicing
- Help you offset your costs of pursuing alternatives to foreclosure
- Complement our array of cutting-edge management tools

Our Servicer Incentive Program includes **three distinct categories of incentives**:

1. Investor Reporting and Remitting Incentives
2. Default Management Incentives
3. Tier One Premium Awards

> Servicer Performance Profile

Many of our servicing incentives are based on the quality of your servicing. We establish clear servicing requirements and goals for you, then compare your performance to those goals and report the results to you on your monthly Servicer Performance Profile. Your profile measures performance in two categories: Investor Reporting and Remitting and Default Management.

Use your confidential Servicer Performance Profile proactively to compare how your performance meets our servicing guidelines. Determine how you can best improve your performance by concentrating your resources on areas needing increased focus.

By strengthening your performance on workouts, default management, and investor accounting, you can earn rewards for servicing excellence.

SERVICER INCENTIVE PROGRAM INFORMATION

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| Investor Reporting and Remitting Incentives | <p>When you achieve a Tier One rating on the Investor Reporting and Remitting section of your Servicer Performance Profile in a calendar quarter, you receive incentives for three consecutive months after the Tier One status is made available. Incentives include:</p> <ul style="list-style-type: none"> • Waivers of penalties related to non-compliance with reporting requirements • Reduction of penalties for cash remittance non-compliance • Waivers of fees for database updates, research and record reconstruction |
| Default Management Incentives | <p>We pay you incentives for alternatives to foreclosure.</p> <ul style="list-style-type: none"> • Our Workout Incentive Program compensates you, regardless of your Tier rating, for certain settled alternatives to foreclosure. You receive incentives for loan modifications, short payoffs, make-whole pre-foreclosure sales, deeds in lieu of foreclosure, and successful repayment plans that result in full reinstatement or full payoff. For more information, please visit www.FreddieMac.com/service/factsheets/woinc.html. |
| Tier One Premium Awards | <p>You'll achieve a Tier One Platinum award if you simultaneously attain Tier One ratings in both the Investor Reporting and Remitting and the Default Management categories of your Servicer Performance Profile for two quarters during a calendar year.</p> <p>Tier One Platinum incentives include:</p> <ul style="list-style-type: none"> • Waivers of transfer of servicing and database change fees • A \$10,000 non-monetary waiver of annual EarlyIndicator® renewal fees or the option to use the waiver to acquire this innovative technology tool • A \$1,000 non-monetary waiver to be used towards Freddie Mac training classes and events <p>Freddie Mac is committed to its small- and mid-sized community-based Servicers, and we recognize their excellence through Tier One Gold. High-performing Servicers with small seriously delinquent portfolios have the opportunity to achieve Tier One Gold recognition if they do the following:</p> <ul style="list-style-type: none"> • Achieve Tier One ratings in Investor Reporting and Remitting for two quarters in a calendar year. • Attain a Tier One rating in Default Management based on an average annual calculation during a calendar year. • Have a delinquent portfolio that averages one or more seriously delinquent loan per month. <p>Tier One Gold incentives include:</p> <ul style="list-style-type: none"> • A \$500 non-monetary waiver to be used towards Freddie Mac training classes and events <p>In addition, a Servicer that has met the criteria for Tier One Platinum, Tier One Gold, or any combination of the two for four consecutive years and had no material foreclosure timeline penalties* is eligible for our annual prestigious Hall of Fame designation. You must qualify for this designation each calendar year.</p> <p><i>*Hall of Fame eligibility criteria include a tolerance for foreclosure timeline penalties. The tolerance is calculated based on the lesser of \$25,000 or a percentage of the unpaid principal balance of "90-day +" delinquent loans as of the last day of a calendar year. Under this criteria, Servicers that:</i></p> <ul style="list-style-type: none"> • <i>Incur penalties that fall within the tolerance for their portfolio will remain eligible for Hall of Fame.</i> • <i>Successfully appeal penalties to within the tolerance for their portfolio will also remain eligible for Hall of Fame.</i> • <i>Incur penalties that are assessed at or appealed to an amount greater than the tolerance will not be eligible for Hall of Fame.</i> |

Learn more about the Servicer Incentive Program:

- Call (800) FREDDIE
- Visit www.FreddieMac.com/service/factsheets/servinc.html.
- Contact your Freddie Mac servicing representative.

Freddie Mac reserves the right to change the Servicer Incentive Program at any time.