



## Sell Loans to Freddie Mac for Cash, Servicing-Retained

### Hold your servicing asset and increase your profitability

Our servicing-retained cash execution allows you to select either a mandatory or, best efforts commitment option based on your individual business needs. You can sell one loan at a time through a best efforts contract, or many loans through a large mandatory contract. In addition, you can sell both premium and discount mortgages as long as their note rates are at or below our posted maximum eligible coupon. You'll receive premium prices for your premium mortgages, and since there is no par cap, you can sell the entire mortgage yield (less your servicing spread) to us.

#### Key Features

- Best efforts or mandatory contract option
- Contract delivery periods in one-day increments between 2 and 90 days
- Two-way pair-off capability (mandatory contracts only)
- Gold or First Tuesday remittance cycles
- Fast settlement, often within the same day as certification (if certified by noon)
- Pricing, commitment, loan allocation, purchase editing (otherwise known as evaluation), note certification, and funding functions on one platform

#### Lender Benefits

- Receive premium prices for your premium mortgages and get competitive prices for your current rate and discount mortgages
- Hedge your pipeline and manage your risk more effectively with our best efforts commitment option
- Benefit from real-time transactions, live pricing, and other features that allow automation and systems integration
- Reduce exposure to interest rate fluctuations in the market

SELL FOR CASH, SERVICING-RETAINED	
<b>Eligible Mortgages</b>	<ul style="list-style-type: none"> <li>• 15-, 20-, and 30-year Fixed-rate mortgages <b>except</b>: <ul style="list-style-type: none"> <li>▪ Prepayment Penalty Mortgages.</li> <li>▪ Mortgages with shared equity plans.</li> </ul> </li> <li>• 5- and 7-year balloon/reset mortgages.</li> <li>• See the <i>Single-Family Seller/Servicer Guide</i> (Guide) Exhibit 17S (<a href="http://www.freddiemac.com/sell/secmktg/pdf/exhibit17s.pdf">http://www.freddiemac.com/sell/secmktg/pdf/exhibit17s.pdf</a>) for information regarding requirements for eligible ARMs, including ARMs eligible for sale under the WAC ARM Cash execution.</li> </ul>
<b>Contract Requirements</b>	<ul style="list-style-type: none"> <li>• Mandatory and best efforts contracts are available.</li> <li>• Minimum contract amount is \$1,000.</li> <li>• Between 2- and 90-day contract delivery periods are available.</li> <li>• Minimum contract servicing spread of 0.25% (25 basis points) and may not exceed 0.50% (50 basis points).</li> <li>• Choose from Gold or First Tuesday remittance cycles.</li> <li>• Fixed-rate Freddie Mac Relief Refinance Mortgages<sup>SM</sup> with LTV ratios greater than 105 percent may not be commingled with any other mortgages that have LTV ratios less than or equal to 105 percent. Adjustable-rate Relief Refinance Mortgages with LTV ratios greater than 105 percent are not eligible for sale.</li> </ul>
<b>Mandatory Contract Requirements</b>	<ul style="list-style-type: none"> <li>• For mandatory contracts, you may substitute loans that fit within the terms of the original contract.</li> <li>• You must fulfill a mandatory contract amount within tolerance level or you will be charged a pair-off fee.</li> </ul>
<b>Best Efforts Contract Requirements</b>	<ul style="list-style-type: none"> <li>• Lock in competitive rates in a cash contract that must be delivered to Freddie Mac only if the borrower closes the loan. For loans that don't close, you simply withdraw the contract without incurring a pair-off fee.</li> <li>• Loan substitution is not allowed.</li> <li>• If any of the loan characteristics change, you may modify the loan and reprice the contract using the prices in effect on the original contract date.</li> <li>• You can extend your best efforts expiration date for a fee at any time prior to funding, as long as the loan is in a Ready to Fund Status. A listing of best efforts cash contract extension fees is available at <a href="http://www.FreddieMac.com/singlefamily/extension-fees.html">www.FreddieMac.com/singlefamily/extension-fees.html</a>.</li> </ul>
<b>Two-Way Pair-off Capability</b>	<ul style="list-style-type: none"> <li>• Mandatory contracts only.</li> <li>• The pair-off process used is "two-way" and may result in either a fee due to Freddie Mac from the Seller, or a fee due to the Seller from Freddie Mac depending on market movement.</li> <li>• The selling system's automated two-way pair-off feature allows you to pair off part or all of a contract. At the same time, you can also take out a new contract with the option to add or reduce additional days or amounts to that new contract. A pair-off fee may apply.</li> </ul>
<b>Settlement</b>	<ul style="list-style-type: none"> <li>• Easily manage settlement parameters, such as Settlement Date, wire instructions, and warehouse lender.</li> <li>• Get faster settlement, often within the same day as certification (if certified by noon) provided the settlement designation is PM or both AM/PM settlement.</li> <li>• Loans can fund individually within a contract as they are ready.</li> <li>• Choose multiple warehouse lenders within a single contract.</li> </ul>
<b>Selling System Efficiencies</b>	<p>These unique selling system options make it easier for you to use our servicing-retained cash execution:</p> <ul style="list-style-type: none"> <li>• Live pricing for all products, delivery periods, and interest rates with a single request.</li> <li>• Immediate warning messages for missing or inconsistent data after running purchase edits (known as evaluation).</li> <li>• Manage outstanding contracts with loan- and contract-level views.</li> </ul>
DELIVERY REQUIREMENTS	
<b>Delivery Fees</b>	<p>Postsettlement delivery fees may apply based on certain characteristics of the mortgage. See Guide Exhibit 19 for details, available online at <a href="http://www.FreddieMac.com/singlefamily/pdf/ex19.pdf">www.FreddieMac.com/singlefamily/pdf/ex19.pdf</a>.</p>

**Learn more about our selling your loans for cash, servicing-retained:**

- Refer to Guide Chapters 9 and 10 for information about mortgages sold for cash through the selling system
- Refer to Guide Chapter A1 for special requirements for mortgages sold through the selling system
- Visit [www.FreddieMac.com/sell/factsheets/cash\\_retained.html](http://www.FreddieMac.com/sell/factsheets/cash_retained.html)
- Contact your Freddie Mac Representative or call (800) FREDDIE