



Fixed-Rate Guarantor Execution

Maximize your origination fee income and increase your servicing portfolio

Through our Fixed-rate Guarantor execution, you can swap your mortgages for Freddie Mac Participation Certificates (PCs), widely accepted securities that are attractive to investors. This execution gives you PCs backed exclusively by mortgages you have sold to Freddie Mac and, holding a Freddie Mac PC in your investment portfolio, requires less capital than holding whole loans. Alternatively, you can choose to swap and sell to replenish your funds to make more loans.

Key Features

- Freddie Mac Gold PCs backed exclusively by at least \$1 million of your own fixed-rate or balloon/reset mortgages (minimum pooling amount is \$1 million)
- Freddie Mac mini-Gold PCs backed by at least \$250,000 of your own mortgages (minimum pooling amount is \$250,000)
- Freddie Mac PCs are eligible for Giant PCs and REMICs
- Gold, Super ARC, and First Tuesday remittance options
- Three or 4-day Gold Rush® settlement cycles are available

Lender Benefits

- Maximize your origination fee income and increase your servicing portfolio when you swap your fixed-rate or 5- and 7-year balloon/reset mortgages for Freddie Mac PCs
- Do more business, more quickly and efficiently, and with greater control and flexibility
- Hold less capital in your portfolio with Freddie Mac PCs
- Take advantage of Gold Rush's shortened settlement cycles to put more loans in the current month's pools for potentially improved profitability
- Gain greater flexibility for managing your servicing float value with three remittance options

FIXED-RATE GUARANTOR EXECUTION

Eligible Mortgages	<p>You will need a Master Commitment to sell through the fixed-rate Guarantor execution. Eligible mortgages for sale through the selling system include:</p> <ul style="list-style-type: none"> • 15-, 20-, and 30-year fixed-rate mortgages. • 40-year fixed-rate Home Possible[®] Mortgages secured by 1-unit primary residences • 5- and 7-year balloon/reset mortgages. • Up to 30-year fully amortizing FHA/VA fixed-rate mortgages. <p>See Exhibit 17S in the <i>Single-Family Seller/Servicer Guide</i> (Guide) for more information about eligible products.</p>
Loan Delivery	<ul style="list-style-type: none"> • For mortgages sold under the Guarantor program through the selling system, a contract number will be made available to a Seller immediately upon taking out a Guarantor contract. • The cut-off time for delivery is 8 p.m. ET. This, combined with a shorter funding cycle, <u>adds more than 2 business days</u> to get loans ready to sell.
Settlement Cycle	<ul style="list-style-type: none"> • Purchase Statement (Form 15A) and Funding Detail Reports are accessible in the selling system by the first day of the settlement cycle (Section B.15.12). • The 3- and 4-day Gold Rush options may increase your profitability by allowing you to put more loans into your current month pools.
Contract/Pooling Requirements	<ul style="list-style-type: none"> • 15-, 30-, and 40-year fixed-rate mortgages must be pooled separately. • 20-year fixed-rate mortgages must be pooled separately to receive a 20-year PC prefix. Otherwise, they must be pooled with 30-year fixed-rate mortgages in a 30-year PC prefix. 30-year fixed-rate mortgages may not be pooled with 40-year fixed-rate mortgages. • 5- and 7-year balloon/reset mortgages must be pooled separately. • Minimum pooling amount for Gold PCs is \$1 million. • Minimum pooling amount for mini-Gold PCs is \$250,000. • Fixed-rate super conforming mortgages are TBA eligible as long as they do not exceed 10 percent of the unpaid principal balance of all mortgages in the applicable pool and other applicable de minimus requirements are met. • Fixed-rate Relief Refinance Mortgages with LTV ratios less than or equal to 105 percent may be pooled with other mortgages without additional pooling requirements. • Fixed-rate Relief Refinance Mortgages with LTV ratios greater than 105 percent must be pooled separately in PC pools comprised entirely of Relief Refinance Mortgages with LTV ratios greater than 105 percent. These PC pools are not eligible for sale in the TBA market.* <p>(*Relief Refinance Mortgages with LTV ratios greater than 105 percent and less than or equal to 125 percent are eligible for Freddie Mac settlements on or after October 1, 2009.)</p> <p>See Guide Chapter 13 for complete pooling and disclosure requirements for fixed-rate and balloon/reset mortgages.</p>
Remittance Options	<p>If your Master Commitment does not require a mandatory remittance cycle, you may select one of the following three options:</p> <ul style="list-style-type: none"> • Super Accelerated Remittance Cycle (ARC) – P&I payment due to Freddie Mac on a date you select between the first and the 15th of the month in which payment is due to you. <ul style="list-style-type: none"> ▪ Super ARC election means a lower guarantee fee than Gold remittance since Freddie Mac receives funds faster. ▪ You are required to advance scheduled principal payments not received from borrowers. • Gold – Principal and interest (P&I) payment due to Freddie Mac three business days after the 15th of the month (the accounting cutoff). <ul style="list-style-type: none"> ▪ You do not have to advance scheduled principal payments that you have not received from borrowers. • First Tuesday – P&I payment due to Freddie Mac on the first Tuesday of the month after the month the payment is due to you. <ul style="list-style-type: none"> ▪ First Tuesday comes with a higher guarantee fee than Gold remittance since you get to retain the funds for a longer period and earn float income. ▪ You do not have to advance scheduled principal payments that you have not received from borrowers. <p>See Guide Chapter 78.23 for a description of the available remittance cycles.</p>
Servicing Spreads	<p>The Minimum Contract Servicing Spread must be at least 0.25% (25 basis points) and may not exceed 2.00% (200 basis points).</p>
Selling System Efficiencies	<p>These unique selling system options make it easier for you to use our fixed-rate Guarantor execution:</p> <ul style="list-style-type: none"> • Contract information and Master Commitment balances available in real time. • Import data from your loan origination system using the Form 11 file formats to create a seamless data transfer. • Freddie Mac loan numbers assigned automatically upon allocation to a contract. • User-friendly loan evaluation and edits against your terms of business that includes immediate messages for missing or inconsistent data. • Pool & CUSIP numbers are assigned as soon as contract is accepted.

Learn more about our Fixed-Rate Guarantor Execution:

- Review Guide Chapters 8, 11, B15, 17 and Exhibit 17S
- Review Guide Chapter A1 for special requirements for sale of mortgages through the selling system
- Visit www.FreddieMac.com/sell/factsheets/fixed_rate.html
- Contact your Freddie Mac Representative or call (800) FREDDIE