



Weighted Average Coupon (WAC) ARM Guarantor Execution

A competitive securities execution with lucrative options

Our Weighted Average Coupon (WAC) ARM Guarantor execution offers a competitive securities execution for your ARMs that adjust based on the Constant Maturity Treasury (CMT)-index or the London Interbank Offered Rate (LIBOR)-index. Under the WAC ARM Guarantor execution, we issue Freddie Mac WAC ARM Participation Certificates (PC) in exchange for a variety of nonconvertible CMT- and LIBOR-indexed ARMs.

> Key Features

- \$500,000 minimum commitment, or \$1,000 commitment for Initial InterestSM ARMs
- Swap and hold or swap and sell
- Online and real-time conversion process
- Freddie Mac PCs are eligible for Giant PCs
- Three- or 4-day Gold Rush[®] settlement cycles are available

> Lender Benefits

- Reduce your capital costs by swapping and holding WAC ARM PCs
- Choose a 3- or 4-day settlement cycle instead of the 5-day standard to get your securities sooner
- Better manage your servicing float value with a choice of two remittance cycles

| WAC ARM GUARANTOR EXECUTION | |
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| Contract Servicing Spread | <ul style="list-style-type: none"> The Minimum Contract Servicing Spread must be at least 0.25% (25 basis points) and may not exceed 2.00% (200 basis points). Refer to <i>Single-Family Seller/Servicer Guide</i> (Guide) Section 8.2.2 for Minimum Contract Servicing Spread requirements, including variable servicing requirements. |
| Settlement Cycle | <ul style="list-style-type: none"> In addition to the 5-day standard option, you may select a 3- or 4-day settlement cycle in exchange for a Gold Rush fee. Please visit http://www.FreddieMac.com/singlefamily/pricing_center.html for our current Gold Rush fee rates. Update your security wire instructions until the day prior to settlement. Purchase Statement (Form 15C) and Funding Detail Reports are accessible by the first day of the Settlement Cycle. |
| Purchase and Delivery Requirements | <ul style="list-style-type: none"> Each eligible ARM product may only be sold on a whole loan basis. The margin must be at least the sum of the Required Spread and the Minimum Contract Servicing Spread. For ARMs that have had at least one Interest Change Date before the Settlement Date, you must complete the following fields on Form 13SF: <ul style="list-style-type: none"> Date of first rate adjustment. Current interest rate. Current P&I payment. If the next Interest Change Date is during the month in which the Settlement Date occurs, you must complete the Form 13SF as if such Interest Change Date had already occurred. |
| Remittance Options | <p>If your Master Commitment does not require a mandatory remittance cycle, you may select one of the following two options:</p> <ul style="list-style-type: none"> First Tuesday – Principal and interest (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. Accelerated Remittance Cycle (ARC) – P&I payment due to Freddie Mac on a contract-specified business day, or if not specified, 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. <p>See Guide Chapter 78.23 for a description of the available remittance cycles.</p> |
| Pooling and Disclosure Requirements | <p>Refer to Guide Chapter A13 for Pooling and Disclosure requirements, including:</p> <ul style="list-style-type: none"> All ARMs must have an original term of 30 years (360 months) or less. Minimum pool size - \$500,000, minimum for Initial Interest - \$1,000. For each pool, all ARMs must have the same: Index, Lookback Period, Initial Period, Adjustment Period, Initial Cap (see Guide Section A13.4 (l) for exceptions), and Periodic Cap. <p>Adjustable-rate Freddie Mac Relief Refinance MortgagesSM with LTV ratios less than or equal to 105 percent may be pooled with other mortgages without additional pooling requirements. Adjustable-rate Relief Refinance Mortgages with LTV ratios greater than 105 percent are not eligible for sale.</p> |
| Offer Procedures | <ul style="list-style-type: none"> You need a Master Commitment to take out WAC ARM Guarantor Contracts in the selling system. A WAC ARM Guarantor Contract is an optional delivery commitment. The minimum commitment amount - \$500,000, minimum for Initial Interest - \$1,000. You can deliver your mortgages, including eligible Home Possible[®] Mortgages, on the same day you take out a WAC ARM Guarantor Contract. It is not necessary to wait until the next day to begin delivery. <p>Call your Freddie Mac Account Manager to discuss the advantages of a Master Commitment and discuss your guarantee fee.</p> |
| Selling System Efficiencies | <p>These unique selling system options make it easier for you to use our WAC ARM 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 13SF file format for 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. |

Learn more about our WAC ARM Guarantor Execution:

- Review Guide Chapters, including but not limited to, 11, A13, C15, 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/wacarm_guarantor.html
- Call your Freddie Mac Representative or (800) FREDDIE