

Industry Letter

To: Freddie Mac Sellers and Servicers

April 1, 2011

SUBJECT: ARRANGEMENTS WITH MORTGAGE INSURERS

We understand that Seller/Servicers may have entered into, or are contemplating entering into, an arrangement with a mortgage insurer under which the mortgage insurer agrees not to issue rescission and/or denial of coverage letters to the Seller/Servicer for certain Mortgages owned by Freddie Mac. Under the arrangement, the Seller/Servicer agrees to pay and/or to indemnify the mortgage insurer for certain losses on those Mortgages.

Seller/Servicers are reminded that the Purchase Documents do not permit a Seller/Servicer to enter into any arrangement that affects the Mortgages sold to Freddie Mac in any manner that is not specifically provided for or contemplated by the Purchase Documents.

This letter reminds Seller/Servicers that without Freddie Mac's prior written consent, they are not authorized under the Purchase Documents to enter into any such arrangements.

Seller/Servicers that have entered into, or are considering entering into, any such or similar arrangement must contact their Freddie Mac Account Manager immediately and provide Freddie Mac with a copy of the executed or draft agreement and/or materials relevant to the arrangement with the mortgage insurer.

Sincerely,



Laurie A. Redmond
Vice President
Offerings Effectiveness