

**IDR RETAINER AGREEMENT
(Freddie Mac Initiated IDR)**

This IDR Retainer Agreement (this “Agreement”), is dated as of the ____ day of [____], 201__ (the “Effective Date”), by and among the **FEDERAL HOME LOAN MORTGAGE CORPORATION**, a corporate instrumentality of the United States (“Freddie Mac”), [____], a [____] (“Seller/Servicer”), and **JAMS INC.** (“JAMS”). The foregoing are hereinafter referred to individually as a “Party” and collectively as the “Parties”.

WHEREAS, Seller/Servicer received a Demand from Freddie Mac involving the Mortgage identified on Exhibit A hereto (the “Mortgage”) and Seller/Servicer has disputed whether the breach alleged in the Demand occurred;

WHEREAS, such dispute (the “Dispute”) regarding the Demand has not been resolved through the Appeal Process, the Impasse Process, and the Management Escalation Process, and Freddie Mac wishes to pursue the matter by initiating the IDR Process in accordance with the Freddie Mac Single-Family Seller/Servicer Guide (as it may be amended from time to time, the “Guide”);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

1. **Definitions:** Any capitalized terms not defined in this Agreement shall have the meanings ascribed to them in the Guide or in the IDR Document.
2. **Agreement to Follow the Terms of the IDR Process Contained in the Guide and the IDR Document.** Freddie Mac, Seller/Servicer and JAMS each agrees to arbitrate Freddie Mac’s Demand in accordance with the terms, conditions and timelines set forth in this Retainer Agreement, the Guide and the IDR Document.
3. **Forbearance.** Freddie Mac agrees that once it has timely received an executed copy of the Retainer Agreement from Seller/Servicer and JAMS, it will not enforce its remedy relative to the Mortgage based on the breach(es) identified in the Demand so long as the IDR Process is being timely followed by Seller/Servicer and all other terms in the Guide regarding the IDR Process are satisfied; provided, however, all fees, costs and interest due on the Mortgage will continue to accrue throughout the IDR Process, and will be payable to Freddie Mac if the Neutral determines that a breach has occurred.
4. **Waiver of Right to Trial.** Notwithstanding any provision in the Guide to the contrary, with the exception of any legal action relating to the prevailing party’s enforcement of the Neutral’s Award, Freddie Mac and Seller/Servicer each hereby waive any and all rights each might possess to have the Dispute litigated in a state or federal court through bench or jury trial if all other terms in the Guide and the IDR Document regarding the IDR Process are satisfied.
5. **Funds to Accompany this Retainer Agreement.** Freddie Mac shall send to JAMS, (via overnight delivery) at the address set forth on Exhibit B, (i) an executed copy of this Retainer Agreement, (ii) a check made payable to “JAMS, Inc.” for the filing fee required to initiate IDR (the “Filing Fee”); and (iii) a check made payable to “JAMS Inc., as agent, trustee, and/or bailee

for the benefit of Freddie Mac and/or various Seller/Servicers” as an estimated fee to pay both the Neutral’s fee and the JAMS’ case management fee (the “Retainer Fee”).

The amount of the Filing Fee and the Retainer Fee is identified in Exhibit B.

JAMS will deposit the Retainer Fee into a custodial account held at a federally insured institution. The funds in the custodial account may not be invested. Any interest paid on the Custodial Account by the financial institution shall be made available for payment of the JAMS’ fee and the Neutral’s fee for any matter that exceeds the Retainer Fee paid.

6. JAMS Agreement. JAMS agrees to follow the processes outlined in the IDR Document which may be found at:

<http://www.freddiemac.com/singlefamily/sell/repandwarrantyframework.html> or
http://www.freddiemac.com/singlefamily/service/servicing_success_program.html.

Where no provision in the IDR Document covers a particular matter, the applicable JAMS Arbitration Rules and Procedures (“JAMS Rules”) in effect on the date of the commencement of the IDR Proceeding shall apply. In the event of a conflict between the JAMS Rules and those contained in the IDR Document, the IDR Document shall prevail. JAMS will ensure that the selected Neutral also follows the terms of the IDR Document.

7. Payment of Combined Fee.

(a) Once the IDR Proceeding has been completed and the Neutral has finalized the Award, JAMS shall (i) ensure that the Neutral provides to JAMS no later than ten (10) Days after the hearing a detailed final invoice for the full amount of his or her fee to JAMS (the “Neutral’s Fee”), based upon the Neutral’s hourly rate represented in the document submitted to Freddie Mac and the Seller/Servicer by JAMS when the Neutral was selected and (ii) calculate the amount of its case management fee (the “Case Management Fee”, and together with the Neutral’s Fee, the “Combined Fee”).

(b) JAMS shall e-mail an invoice reflecting the Neutral’s Fee, the Case Management Fee and the Combined Fee no later than three (3) Days (the “Invoice Date”) after receipt of the Neutral’s Fee to the Seller/Servicer and Freddie Mac.

(c) If the amount on deposit plus any interest paid and remaining in the custodial account exceeds the Combined Fees, JAMS is authorized to withdraw funds from the custodial account on the date that is five (5) Days after the Invoice Date in the amount of the Combined Fee to pay itself and the Neutral for the matter.

(d) If the Combined Fee exceeds the amount on deposit plus any interest paid and remaining in the custodial account, JAMS shall e-mail an invoice for the shortfall to the Seller/Servicer (the “Shortfall Invoice”) within three (3) Days of the Invoice Date. The Seller/Servicer is responsible for paying JAMS in full within ten (10) Days of receipt of the Shortfall Invoice.

(e) JAMS shall also determine whether any of the Retainer Fee remains after paying the Combined Fee (the “Retainer Surplus”).

8. Release of Opinion. Once the Combined Fees have been paid, JAMS shall promptly advise the Neutral to release its Award and opinion.

9. Payment. In the event that Freddie Mac is the prevailing party, the Seller/Servicer agrees to remit to Freddie Mac the amount of the Filing Fee, the Combined Fee and the Cost and Fee Award within thirty (30) Days of the date the Neutral issues its Award. In the event that the Seller/Servicer is the prevailing party, Freddie Mac agrees to remit to the Seller/Servicer the Cost and Fee Award within thirty (30) Days of the date the Neutral issues its Award. The prevailing party shall notify JAMS once it has received the Cost and Fee Award.

10. Refund of Retainer Surplus. JAMS shall return the Retainer Surplus, if any, to the Freddie Mac once it has received confirmation from the prevailing party that it has received the Cost and Fee Award from the non-prevailing party.

11. Records. JAMS does not maintain a duplicate file of documents filed in the IDR Proceeding. If a Party wish to have any documents returned to it, it must advise JAMS in writing within 30 days of the conclusion of the IDR Proceeding. If special arrangements are required regarding file maintenance or document retention, they must be agreed to in writing and JAMS reserves the right to impose an additional fee for such special arrangements.

12. Termination, Transfer or Assignment of Servicing. Seller/Servicer agrees not to transfer the servicing of the Mortgage until a decision from the Neutral is issued, the Award is satisfied and the Cost and Fee Award is paid in full.

13. No Conditions Precedent; No Waivers. Except as specifically provided herein and in the IDR Document, Freddie Mac’s exercise of any right or remedy during the IDR Proceeding shall not limit its exercise of any other right or remedy provided to it by applicable law, by any other agreement to which it and Seller/Servicer are parties, or otherwise. Other than specifically set forth above with respect to Freddie Mac’s limited forbearance from exercising its right to immediate repurchase of the Mortgage based on the breach(es) alleged in the Demand and its agreement not to pursue litigation to enforce the Demand except as noted above, other than to enforce the Award of the Neutral, the IDR Proceeding shall not be construed as a waiver of any rights or remedies that Freddie Mac currently has or may have in the future.

Therefore, Seller/Servicer remains obligated under the Guide to indemnify and hold Freddie Mac (including its successors and assigns and its employees, officers, and directors individually when they are acting in their corporate capacity) harmless against any and all third party claims that result in losses, damages, settlements, judgments, claims, legal actions, costs, expenses, attorney’s fees, and other legal fees that are based on, or result from, the breach(es) alleged in the Demand.

14. Separate Obligations. Seller/Servicer’s, JAMS’ and Freddie Mac’s obligations under this Retainer Agreement shall be effective as of the date that all parties have executed the Retainer Agreement. For the avoidance of doubt, Seller/Servicer’s obligations under this Retainer Agreement are separate and cumulative of any other Seller/Servicer obligations and/or

indemnity made in the Guide and the other Purchase Documents, and any failure by Seller/Service to comply with this Retainer Agreement shall constitute a separate breach of contract independent of any other Seller/Service breach of the Purchase Documents.

15. Representations and Warranties of Seller/Service. Seller/Service represents and warrants that:

(a) the execution of this Retainer Agreement either has been approved by one or more officers of Seller/Service who are duly authorized by the Board of Directors to enter into transactions of the type set forth in the Agreement;

(b) this Retainer Agreement constitutes the “written agreement” of Seller/Service, and Seller/Service shall continuously maintain this Retainer Agreement as an official record of Seller/Service if Seller/Service is an FDIC-insured institution;

(c) the performance by it of its obligations under this Retainer Agreement and the IDR Document (i) are within its corporate authority, (ii) have been duly authorized by all necessary corporate action, including any action required to be taken by Seller/Service’s regulator, (iii) will not contravene any law, regulation or contractual provision binding on it, and (iv) will not require any consent or approval of any person, entity or governmental authority except such consents and approvals as have been obtained and are in full force and effect;

(d) no insolvency, bankruptcy, receivership or similar proceeding is threatened or pending by or against it; and

(e) this Retainer Agreement constitutes its legal, valid, and binding obligation and shall be binding against Seller/Service and its successors and assigns in accordance with its terms.

16. Confidentiality.

(a) For purposes of this Retainer Agreement, “Confidential Information” means: any information and documentation disclosed to the Neutral as part of the IDR Proceeding and specifically designated with a label stating “CONFIDENTIAL” including, without limitation, information and documentation: (i) related to Seller/Service’s, origination, selling or servicing practices; or (ii) that reveals personal, financial, or other non-public personal information about a borrower, co-borrower, or other protected party.

(b) The Seller/Service and JAMS agree to treat all Confidential Information and all information or material prepared derivatively from Confidential Information as strictly confidential. In particular, the Seller/Service and JAMS agree that they will:

(i) implement appropriate measures to maintain the confidentiality, security, and integrity of such Confidential Information, which efforts shall accord such Confidential Information at least the same level of protection against unauthorized use and disclosure that it customarily accords to its own information of a similar nature but no less than a commercially reasonable degree of protection;

(ii) comply with all federal, state and local laws, rules, regulations and ordinances governing or relating to privacy rights including, without limitation, the Gramm-Leach-Bliley Act (“GLB”). The undersigned shall implement such physical and other security measures as shall be necessary to (a) ensure the security and confidentiality of the “nonpublic personal information” of the “customers” and “consumers” (as those terms are defined in the GLB) whose mortgages are selected for the IDR Proceeding, (b) protect against any threats or hazards to the security and integrity of such nonpublic personal information, and (c) protect against any unauthorized access to or use of such nonpublic personal information. Each undersigned Party represents and warrants that it (and any of its affiliates, directors, officers, employees and legal representatives, agents and advisors (each, a Representative) or person who is provided Confidential Information) has implemented appropriate measures to meet the objectives of Section 501(b) of the GLB and of the applicable standards adopted pursuant thereto, as now or hereafter in effect. Upon request, the Seller/Servicer or JAMS will provide evidence reasonably satisfactory to allow Freddie Mac to confirm that the Seller/Servicer or JAMS has satisfied its obligations as required under this Section;

(iii) use and permit the use of such Confidential Information solely in accordance with the IDR Proceeding; and

(iv) promptly notify Freddie Mac in writing of any actual or suspected loss or unauthorized use, disclosure or access of Confidential Information of which it becomes aware, and take all steps reasonably requested by Freddie Mac to limit, stop or otherwise prevent such loss or unauthorized use, disclosure or access.

(c) Freddie Mac, Seller/Servicer and JAMS agree to maintain the confidentiality of the IDR Proceeding and the Award and shall not release confidential information related to the IDR Proceedings except to their conservators or regulators; to their attorneys or auditors; to vendors or contractors who need to know the information and are bound to keep it confidential; to any SME participating in the IDR Proceeding to the extent the SME has an obligation to maintain the confidentiality of the information; to any prospective purchaser of the mortgage loan or a risk portion of the mortgage loan; pursuant to a court order; as otherwise required by applicable regulations, statutes, or court rules, including without limitation any applicable disclosure requirements; or in order to enforce an Award.

17. Disqualification of the Arbitrator and JAMS as Witness/Limitation of Liability.

The Parties hereby agree that they will not call the Neutral or any employee or agent of JAMS as a witness or as an expert in any proceeding involving the Parties and relating to the IDR Proceeding which is the subject of the arbitration, nor shall they subpoena any notes or other materials generated by the Neutral during the IDR Proceeding. The Parties further agree to cooperate with the Neutral and JAMS and its employees and agents in defense of any subpoenas from outside parties arising out of this Retainer Agreement or the IDR Proceeding.

The Parties agree that neither the Neutral nor JAMS, including its employees or agents, is a necessary party in any proceeding involving the Parties and relating to the dispute which is the subject of the IDR Proceeding. The Parties further agree that the Neutral and JAMS, including its employees or agents, shall have the same immunity from liability for any act or omission in

connection with the IDR Proceeding as judges and court employees would have under federal law.

18. Remedies. The Parties acknowledge and agree that any breach of this Retainer Agreement would cause the Seller/Service and Freddie Mac to incur irreparable harm and significant damages, the degree of which would be difficult to ascertain. Accordingly, in the event of any such breach the respective Seller/Service and Freddie Mac jointly or severally will have the right to seek immediate injunctive relief, in addition to any and all other claims, rights and remedies the Seller/Service or Freddie Mac may have.

19. Points of Contact.

(a) Freddie Mac's point of contact for the IDR Proceeding will be:

| Name: | Telephone Number: | E-mail address: |
|-------------------|-------------------|----------------------------------|
| Howard Lindenberg | 703-903-2485 | Howard_Lindenberg@freddiemac.com |

(b) JAMS's point of contact for the IDR Proceeding will be:

| Name: | Telephone Number: | E-mail address: |
|-----------------|-------------------|-----------------------|
| Stacey Harrison | 202-942-9180 | SHarrison@JAMSADR.com |

20. Delivery of Retainer Agreement. Freddie Mac shall send a copy of the executed Retainer Agreement to Seller/Service and to JAMS point of contact designated in Section 17.

21. Documents. Freddie Mac may elect to send its Case File Package to JAMS via either the JAMS portal or via encrypted email given that the Case File Package may include non-public information. JAMS has a portal that Seller/Service may elect to use if it is able to negotiate acceptable terms with JAMS in a separate agreement between the two parties.

22. Information Security. JAMS has implemented and will maintain during the IDR Proceeding appropriate measures designed to (i) ensure the security and confidentiality of Freddie Mac's or Seller/Service's information handled or maintained by JAMS on behalf of Freddie Mac or Seller/Service, whether in paper, electronic or other form; (ii) protect against any anticipated threats or hazards to the security or integrity of such information; and (iii) protect against unauthorized access to or use of such information.

23. Governing Law; Forum Selection. This Retainer Agreement shall be construed, and the rights and obligations of the Parties determined, in accordance with and governed by the laws of the United States. Insofar as there may be no applicable precedent, and insofar as to do so will not frustrate the purposes of this Agreement or the transactions governed hereby, the local laws of the State of New York shall be deemed reflective of the laws of the United States (without

reference to the conflicts of laws principles thereof other than Sections 5-1401 and 5-1402 of the New York General Obligations Law as the same may be amended or superseded). The Parties hereby agree that all disputes arising hereunder shall be submitted to and hereby subject themselves to the jurisdiction of the United States District Court for the Eastern District of Virginia, Alexandria Division.

24. Captions. The captions assigned to provisions of this Agreement are for convenience of reference only and shall be disregarded in construing this Agreement.

25. Counterparts; Execution. This Agreement may be executed in any number of counterparts and by different Parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original (whether such counterpart is originally executed or an electronic copy of an original) and all of which when taken together shall constitute one and the same agreement. The Parties agree that delivery of a counterpart of a signature page to this Agreement by electronic means or transmission shall be a binding digital signature, as effective as delivery of an original executed counterpart of this Agreement.

26. Time of the Essence. Time is of the essence as to the deadlines and timeframes referenced in this Agreement, and each representation, warranty, covenant and condition provided for in this Agreement.

27. Purchase Document. This Agreement is designated as a Purchase Document. In the event of any conflict between the Guide or any other Purchase Documents, and this Agreement, the terms of this Agreement shall prevail.

28. No Precedent. Neither this Agreement, nor any provision of this Agreement, shall be considered or treated as precedent for purposes of the Parties' future dealings or otherwise.

29. Exhibits. The Exhibits to this Retainer Agreement are hereby incorporated into the Retainer Agreement as if fully set forth herein. Notwithstanding anything to the contrary in this Retainer Agreement, in the event of any conflict between the provisions of this Retainer Agreement and the Exhibits, the terms of the Exhibits shall prevail.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be effective as of the date first written above.

FREDDIE MAC

By: _____
Name: _____
Title: _____

JAMS INC.

By: _____
Name: _____
Title: _____

[INSERT SELLER/SERVICER NAME]

By: _____
Name: _____
Title: _____

Seller/Service's Point of Contact for the IDR Proceeding will be:

| Name: | Telephone Number: | E-mail address: |
|-------|-------------------|-----------------|
| | | |

EXHIBIT A

| | |
|---|--|
| Freddie Mac loan number: | |
| Seller/Service's loan number: | |
| Date of Freddie Mac's acquisition of the Mortgage: | |
| Original Principal Balance of the Mortgage: | |
| Cost and Fee Award (10% of the Original Principal Balance): | |

EXHIBIT B

JAMS FEE SCHEDULE

FILING FEE: \$1,200.00

RETAINER FEE: \$10,000.00

PROFESSIONAL FEES

Professional Fees consist of the hourly or daily rates of the JAMS Neutrals. Neutrals are independent contractors and set their own rates. Therefore, the rates vary depending on the particular Neutral. Professional fees include time spent for hearings, pre- and post-hearing reading and research, and Award preparation.

CASE MANAGEMENT FEE

The Case Management Fee includes access to an exclusive nationwide panel of judges, attorneys, and other ADR experts, dedicated services including all administration through the duration of the case, document handling, and use of JAMS conference facilities including after hours and on site business support.

The parties agree that the Case Management Fee due to JAMS (in addition to the filing fee) shall be equal to 12% of the Neutral's final professional fees. For example, if the Neutral's final fee is \$8,000, the Case Management Fee due to JAMS shall be \$960.00 ($\$8,000 \times .12 = \960.00) for a combined fee of \$8,960.

JAMS address is:

Stacey Harrison
General Manager
JAMS Inc.
555 13th St. NW, Suite 400W
Washington, DC 20004

EXHIBIT C

(FREDDIE MAC TO ATTACH COPY OF DEMAND MADE ON SELLER/SERVICER
INVOLVING THE MORTGAGE LOAN)