



Portfolio Transaction Process

Here's a step-by-step guide that will walk you through the process of using our portfolio services.

Step 1

Initial discussion

Let your Freddie Mac representative know of your interest in a securitization or cash transaction for loans held in your portfolio. Early notification and discussion will allow us to provide the resources necessary to assist you through the process.

Along with a team of Freddie Mac experts, your Freddie Mac representative will assist you in determining the best course of action to meet your needs. We can assist you with preliminary loan data analysis and provide consultative services and recommendations on the type and size of transactions to accomplish your goals.

Step 2

Data file conversion process

Provide us your loan-level information in the form of a data file. Our preferred data file format is Microsoft® Excel. You can find a link to the file layout at <http://www.freddie.mac.com/singlefamily/sell/portfolio.html>.

Next, import this data file through our secure online Portfolio Loan Data Submission Tool on FreddieMac.com. (<https://www.freddie.mac.com/portfoliodata/index.do>) Your data will be encrypted for secure transmission. We also ask that you submit documentation outlining the guidelines used to underwrite the loans you are submitting. Any missing, inconsistent, or questionable data should be explained in a separate email to CAT@FreddieMac.com.

Step 3

Data evaluation

Our team will review the data file to ensure that all the necessary information has been provided. Any information that does not meet our requirements or is missing will be reviewed with you. The information provided must accurately reflect the loan characteristics.

If data consistency and reliability are a concern, we ask that due diligence be performed in order to collect, clarify or complete the necessary loan record data fields before the stratification process can be completed. The completeness and consistency of data will determine the amount, level and timing of the due diligence process.

Step 4

Credit analysis

Freddie Mac's Risk Management Team will complete a credit review of the loans within the portfolio you have submitted. We will determine whether any loans should be removed to ensure the portfolio conforms to our credit policy. We may ask you to provide additional information on your underwriting guidelines to assist in this determination. Generally, there will be some level of loan fallout during this process.

Step 5

Bid presentation

The final eligible loan population for your mortgage portfolio sale, with details regarding terms, conditions, guarantees and, if applicable, pooling execution analysis, is presented to you in a bid document. This provides an opportunity for the key parties to understand the terms of the transaction, ask questions and reaffirm timing and execution objectives.

Freddie Mac will work closely with you through this process to ensure that the transaction process, when concluded, meets your expectations. Items to be discussed during this phase of the transaction are price, servicing rate, pool sizes, seasoning or age of the underlying loans, geographic dispersion or risk concentrations and loan balance. The use of our buyup/buydown matrices will also be discussed.

If you elect to move forward, we will provide summary reports for your review and confirmation that the pools represent the characteristics you want to deliver.

Step 6

Master Commitment issuance

A Master Commitment Contract including all information related to the loans that are eligible for securitization or cash sale will be prepared and forwarded to you. Freddie Mac will identify loans to be delivered to us requiring special handling on waivers.

Important note: The Master Commitment must be signed and returned to Freddie Mac before loans can be delivered for sale or settlement.

Step 7

Due diligence

Due diligence is the process of reviewing each loan file and supporting documentation to:

- Ensure that the required data is either collected and clarified or audited to ensure that the loans and loan information are complete and accurate.
- Establish that each loan meets our underwriting and documentation requirements.
- Identify credit, documentation and/or underwriting waivers.

continued

Step 7

Due diligence *continued*

If due diligence is required, we will help you determine the type and level of due diligence necessary to complete the transaction efficiently. We may also facilitate the due diligence work as required.

Loan acceptability will be determined and documented in a Master Commitment for your portfolio sale based on the review of the loan data file and your representations and warranties that the loans being sold are of investment quality and meet our underwriting requirements. Acceptable variances to our *Single-Family Seller/Servicer Guide* (Guide) will be documented within the Master Commitment Contract as waivers to normal underwriting and documentation policies.

You will need to provide us with the completed results of due diligence, in the form of reports and data. Whether due diligence is performed by you, by Freddie Mac or outsourced to a third party, we'll need a complete copy of each type of note instrument to be delivered. This is particularly important if the notes are non-standard instruments, have been altered or modified and/or involve adjustable-rate products. Note modifications, riders and addendums are considered part of the note and must be included as part of this note library compiled for legal and eligibility review.

Step 8

Contract and delivery

The delivery process is similar to our process for flow transactions through the Selling SystemSM. A list of eligible loans in each pool will be provided to support the loan delivery process. A Freddie Mac Transactions Manager will work with you to ensure timely settlement. For securitization, the pool transmission date should normally occur 10 business days prior to the requested pool settlement date. Adhering to this time frame should ensure a successful settlement.

With assistance from a Freddie Mac representative, you will be responsible for uploading all necessary loan data into our Selling System allocating the loans to selected contracts and ensuring all delivery edits are appropriately cleared before certification and funding.

Important note: If a due diligence team has been assigned to assist with delivery, they will manage this process for you.

Step 9

Settlement and certification

Your portfolio delivery will require note certification before settlement. Please comply with our custodial document delivery Guide requirements to deliver all appropriate documentation to the document custodian prior to pool transmission for settlement. We can act as the document custodian through our Designated Custodian, The Bank of New York Mellon Trust Company, N.A.

Data Elements

Here are the data elements needed to complete an analysis of your portfolio. We accept many formats that may already be coded in your in-house or service bureau systems, including a Microsoft® Excel spreadsheet, containing the fields listed in the table below.

Please contact your Freddie Mac representative for more information.

Field Name	Sample Description
Loan Number (LOANNO)	Uniquely identify each loan
Property Type Code (PROP)	SF = Single Family 2f = Two Family 3f = Three Family 4f = Four Family PU = PUD CO = Condo CHT = Condo Hotel CM = Commercial TH = Town House COOP = Cooperative MANU = Manufactured Housing MF = Multifamily (> 4 units)
Owner Occupied Code (OCC)	OOC = Owner Occupied 2HM = Second Home INV = Investor
Purpose Code (PURP)	PUR = Purchase REFI = Rate & Term Refinance COR = Cash Out Refinance or Debt Consolidation Cash Out Refi
Construction to Perm Flag (CNST)	Y or N Construction conversion or renovation. We can purchase mortgages once within the permanent financing phase
Number of Units (UNITS)	Number of units
Seller Product Type (PRODSLR)	Please specify product type at time of origination: • Fixed Rate Loan -15, 20 or 30 Year • ARM (Please specify fixed and adjustment period i.e. 1/1, 3/1, /3/3, 5/1, 5/5, 7/1 or 10/1 ARM) • Bi-weekly 15- or 30-year fixed rate Please note: Freddie Mac does not purchase balloon mortgages, Interest Only products or negative amortization, payment-capped Option ARMs.
Lien Position (SECFLAG)	Specify if loan is a first mortgage or second mortgage.
Loan Type (LOANTYPE)	Specify if Conventional, FHA / VA loan
MI Flag (MIFLAG)	Y or N
MI Code (MICODE)	Mortgage insurer company name or number
MI Coverage Percentage (MICVG)	Percentage of mortgage insurance coverage on the loan
Loan Origination Date (NOTEDT)	MM/DD/YYYY
First Payment Date (FRSTPAY)	MM/DD/YYYY Note: For loans that have been modified, please include the first payment date after the modification
Maturity Date (LASTPAY)	MM/DD/YYYY
Original Rate (ORATE)	Note Rate at time of origination
Original Principal and Interest (OPANDI)	Principal and interest payment at time of origination
Interest Paid to Date (PDTHRU)	MM/DD/YYYY
Original Term (OTERM)	Original term of the loan in months. (Number of months between the first payment due date and the maturity date) LIBOR). Provide definitions with data file.
Amortization Term (AMTERM)	Amortization term of the loan in months

Field Name	Sample Description
Original Loan to Value Ratio (OLTV)	Original balance divided by the lesser of Purchase price or Appraised value
Total or Combined Loan to Value Ratio (TLTV)	Original Balance + Secondary/Other Financing dollar amount divided by the lesser of Purchase price or Appraised Value Note – Please include secondary financing information even if the financing occurred subsequent to the origination of the first lien
Current Interest Rate (CURRATE)	Current Interest Rate
Original Loan Balance (OBAL)	Original loan amount Note – For Modified mortgages, this is the original note amount before the modification
Current Loan Balance (CURBAL)	Current unpaid principal balance
Current Monthly Principal and Interest (PANDI)	Principal and interest payment (Please do not include taxes, insurance or home owner's association fees)
Number of Times 30 or More Days Delinquent (DELQ30)	Number of times at least 30 days delinquent in the past 12 months
Number of Times 60 or More Days Delinquent (DELQ60)	Number of times at least 60 days delinquent in the past 12 months
Number of Times 90 or More Days Delinquent (DELQ90)	Number of times at least 90 days delinquent in the past 12 months
Borrower Count (NUMBORR)	Number of borrowers on the mortgage note 1,2,3,4,5 and up (i.e. 1=Primary borrower only, 2=Primary borrower with co-borrower)
Borrower Name (FNAME1 & LNAME1)	Please separate First Name and Last Name to individual fields
Borrower SSN (SSN1)	Primary Borrower's Social Security Number
Co-borrower Name (FNAME2 & LNAME2)	Please separate Co-borrower First Name and Last Name to individual fields
Co-Borrower SSN (SSN2)	Co-Borrower Social Security Number
Address (ADDRESS)	Street address of property
City (CITY)	City of property
State (STATE)	State (USPS abbreviation) of property
Zip Code (ZIP)	ZIP code of property (5 digits)
Total Monthly Income (INCOME)	The gross monthly income of the borrower or combined if there is a co-borrower used to qualify the loan
Total Debt Ratio (DTI)	Total monthly debt expense/total monthly income
Appraised Value (APPRVAL)	Original property appraised value
Sales Price/Purchase Price (PURCHPRICE)	Original purchase price
Appraisal Type (APPRTYPE)	Appraisal used (i.e. Full, URAR, Drive By, AVM)
Prepayment Penalty Flag (PPFLAG)	Was loan originated as Prepayment Penalty Mortgage – Y or N? Please note: Freddie Mac will only purchase loans with expired prepayment penalties
Prepayment Penalty Period (PPTERM)	Prepayment lockout period in months (i.e. 24, 36, 60)
Document Indicator (DOCSLR)	Full documentation, Stated Income/Verified Assets (SIVA), Stated Income/Stated Assets (SISA), No Ratio (NINA), or No documentation (NONE)

Field Name	Sample Description
Origination Channel (CHANNEL)	Origination Source (i.e. Retail, Wholesale, Broker or Correspondent)
Servicer (SERVICER)	Name of current Servicer
Originator (ORIGINATOR)	Name of institution that originated the loan
Borrower #1 Self Employment Flag (SELFEMP)	Y or N
Borrower #2 Self Employment Flag (SELFEMP2)	Y or N
Lender Paid MI Flag (LPMIFLAG)	Y or N
Lender Paid MI Fee (LPMIFEE)	Lender Paid MI monthly fee (e.g. 0.730)
Servicing Fee (SFEE)	Servicing fee (i.e. .250, .375) For ARMs, Servicing fee during the fixed period
AUS Type	Automated Underwriting System utilized at origination i.e. LP, DU, Manual or other Seller specific AUS
FICO Score for Primary Borrower (SLREQX1)	Credit score used to qualify the loan for the primary borrower
FICO Score for Co-Borrower (SLREQX2)	Credit score used to qualify the loan for the co-borrower
Relocation Flag (RELO)	Y or N Is loan part of a relocation program?
Interest Method (INTMET)	Monthly or Simple interest
Interest Only Flag (IOFLAG)	Indicates loan is an initial interest or interest only product, please provide IO term if applicable for any interest only mortgage

Modifications	
Modification Effective Date (MODDT)	MM/DD/YYYY – Date loan modified if applicable
Modification Reason (MODRSN)	Reason loan modified – modified for rate, workout, curtailment and recast payment
Modification Balance (MODBAL)	Unpaid Principal Balance as of modification used to calculate the new payment information

Fields for ARM loans Only only:	
Index Code (INDEXSLR)	ARM index code (e.g., 1-year weekly treasury (CMT), 3-year weekly treasury, 1-year MTA, 6-month LIBOR). Please provide definitions with data file.
Margin (MARGIN)	Gross mortgage margin
First Rate Change Date (FRSTADJDT)	First interest rate change date – MM/YY
Next Interest Rate Change Date (NXTRATEADJ)	Next interest rate change date – MM/YY
Interest Rate Adjustment Frequency (ADJFREQ)	Interest rate adjustment frequency in months (e.g., 12, 36, 60)
Initial Periodic Rate Cap (INITIALCAP)	Provide the initial periodic rate cap (e.g., 5.00% cap at the initial interest change date). If different between up or down please provide separately.

Fields for ARM loans Only only:

Periodic Rate Cap (PERCAP)	Periodic rate cap at the subsequent scheduled interest change date (e.g., 2.000, 1.000). The maximum allowable increment by which ARM rate can increase. If different between up or down please provide separately.
Lifetime Maximum Interest Rate (CEILING)	Gross Lifetime Ceiling rate for the mortgage (i.e. 12.000%)
Lifetime Rate Floor (FLOOR)	Minimum note rate allowed for life of loan
Lookback Period (LOOK-BCKSLR)	Number of days preceding the next change rate date. Used to determine the value of the index to be used in calculating the new interest rate (e.g., 45 days)
ARM Convertibility Code (CVTBL)	Y or N

QUESTIONS?

Contact Freddie Mac's Collateral Analytics Team:

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You may also email us at cat@freddiemac.com