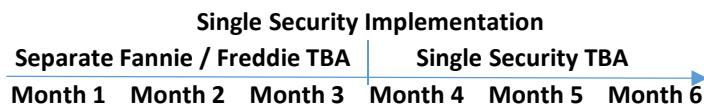


# Single Security Trading Scenarios

Examines how trading of agency securities will change as a result of Single Security Implementation.

The following scenarios look at trades that occur before, during and after Single Security Implementation, with implementation occurring in “Month 4” in 2018

# TBA Sale



Trade type	Transaction Date	To Close Position	To Roll Position
FNCL Sale - Fannie Mae MBS	Before Implementation (Month 1 Trade, Month 2 Settle)	Pair off position or deliver Fannie Mae MBS	Roll short position with Fannie Mae TBA (Buy Month 2 TBA – sell Month 3 TBA)
FNCL Sale - Single Security UMBS	During Implementation (Month 3 trade, Month 4 Settle)	Pair off position or deliver Single Security UMBS*	Roll short position with Single Security TBA (Buy Month 4 TBA – sell Month 5 TBA)
	After Implementation (Month 4 trade, Month 5 settle)	Pair off position or deliver Single Security UMBS*	Roll short position with Single Security TBA (Buy Month 5 TBA – sell Month 6 TBA)
FGLMC Sale – Freddie Mac PCs	Before Implementation (Month 1 Trade, Month 2 Settle)	Pair off position or deliver 45-day Freddie Mac PCs	Roll short position with Freddie Mac TBA
	During Implementation (Month 3 trade, Month 4 Settle) **	Pair off position or deliver 45-day Freddie Mac PCs	Roll short position with Freddie Mac TBA** or dealers may offer roll swap so investors can convert while maintaining an open roll ***
	After Implementation (Month 4 trade, Month 5 settle) **	Pair off position or deliver 45-day Freddie Mac PCs	Roll short position with Freddie Mac TBA** or dealers may offer roll swap so investors can convert while maintaining an open roll***

\* Single Security UMBS can include legacy or new-issue Fannie Mae MBS, legacy Freddie Mac PCs that have been exchanged for their 55-day mirror securities, new issue 55-day Freddie Mac UMBS and single-issuer or commingled Supers (Single Security Mega or Giant) issued by either Enterprise. This may be impacted by SIFMA decisions regarding TBA fungibility

\*\* This trade may not be possible because it is not certain that dealers will continue to make markets in legacy 45-day products after Single Security Implementation

\*\*\* To convert this to a Single Security position, investor would need to close the FGLMC position and open a new position using Single Security TBA or dealers may offer a roll swap contract whereby investors buy Freddie Mac TBA in the front month and sell Single Security TBA in the back month