

Legacy Exchange Overview



- Freddie Mac will offer an exchange that will be open to investors in legacy 45 day PCs
- All fixed-rate PCs that are not 100% committed to resecuritization can be exchanged
 - » Holders of TBA securities will receive 55-day delay Single Securities after an exchange while holders of non-TBA securities will receive a Freddie Mac 55-day delay non-TBA security
 - » Investors will also receive compensation for the approximate fair value of 10 days of lost float
- Exchanges will be conducted through a new Freddie Mac online portal
- Exchange will open in concert with the introduction of the new Single Security product and will stay open for the foreseeable future
- Freddie Mac will create mirror 55-day Single Securities and non-TBA 55-day securities for all exchange eligible 45-day PCs
 - » Most security characteristics, such as issuance UPB and factor, of the new 55-day securities will mirror the corresponding 45-day PCs
 - » Mirror securities will appear on Daily New Issue File the day they are created
 - » Freddie Mac will hold all mirror securities until an exchange for a given security is executed so mirror creation should have no impact on tradable supply
 - » All investors who exchange pieces of the same PC will receive portions of the same corresponding 55-day security in return
- Freddie Mac plans to publish new data elements to enable tracking of outstanding supply