

## **FAQs for EU and UK Due Diligence and Risk Retention Requirements**

### **1. Does Freddie Mac provide resources to support investors' compliance to the EU Securitization Regulation?**

Yes. Please refer to Freddie Mac's website for EU Resources for more information. The UK Securitisation Regulation is substantially the same and we will refer UK institutional investors to the EU Resource website.

For EU Investors: <https://capitalmarkets.freddie.mac.com/crt/resources/regulatory-information/resources-eu-institutional-investors>

### **2. Will Freddie Mac provide loan level disclosures in the ESMA prescribed template?**

Yes. Starting in the February 2023 reporting period, loan level disclosure for STACR in the form of ESMA Annex 2 (Underlying Exposures – Residential Real Estate) will be available for download via the [Clarity Data Download site](#). This will include all outstanding STACR transactions from February 2023 and forward.

For security level disclosures, CRT is working with the respective Trustees/Global Agents to provide the reporting required by Annex 12. More information will be provided in the coming weeks on when it will be made available.

Please note that the ESMA templates are provided *in addition* to the existing disclosure template. The existing disclosures will remain unchanged. Freddie Mac assumes that ESMA's Annex 2 and Annex 12 will also satisfy the UK Securitization Regulation. Currently, no additional reporting specifically for the UK Securitization Regulation is contemplated.

### **3. Why are some of the required fields not populated according to the ESMA template requirements?**

Reporting in the form of Annex 2 and Annex 12 will have the same data available for the existing loan level disclosures and payment date statements. There are certain fields that the ESMA format requires are either not available, not applicable to be disclosed today, or Freddie Mac deems to have privacy concerns. In some instances, CRT relies on Freddie Mac's Seller Servicer Guide to provide origination and servicing standards instead of disclosing certain details on the loan level. A separate mapping and explanation document is provided to explain the data Freddie Mac discloses in the ESMA template.

Freddie Mac will continue to review these requirements and will determine the viability of enhancing its existing disclosure according to the ESMA requirements.

**4. Does Freddie Mac need to submit the required templates to a securitisation repository?**

No. Per Article 7(2), reporting to a securitisation repository is not required for securitisations where no prospectus is drawn up in compliance with Directive 2003/71/EC (the EU Prospectus Regulation). Instead, the originator, sponsor, and SSPE of a securitisation should make available the required information through a well-functioning website.

Freddie Mac intends to provide the relevant information through either its own website or the respective trustee or global agents' website for each deal.

**5. Does Freddie Mac provide represent that the information provided is sufficient to support compliance by EU and UK institutional investors with the EU or UK Securitisation Regulation due diligence requirements?**

Freddie Mac does not make any representation that any information provided, such as materials relevant to the EU or UK Securitisation Regulation, loan level or deal level reporting, is sufficient for the purpose of permitting an EU or UK institutional investor to comply with the EU or UK due diligence requirements or any other applicable legal, regulatory or other requirements in respect to an investment in the notes. Each EU or UK institutional investor should consult with its own legal, accounting, regulatory and other advisors and/or its national regulator to determine whether the information Freddie Mac provides is sufficient to satisfy all applicable requirements.

Furthermore, applicable regulations, including the EU or UK due diligence obligations, or the interpretation or application thereof, may change in the future, and such change may affect the regulatory position of EU or UK institutional investors, as applicable, in relation to STACR securities. Freddie Mac will continue to review and assess developments as needed.