

# SECURITIZATION REGULATION AGREEMENT

**Federal Home Loan Mortgage Corporation  
8200 Jones Branch Drive  
McLean, Virginia 22102**

April 21, 2023

U.S. Bank Trust Company, National Association  
One Federal Street, 3<sup>rd</sup> Floor  
Boston, Massachusetts 02110  
Attention: Global Structured Finance /STACR 2023-DNA2

The Bank of New York Mellon  
240 Greenwich Street  
New York, New York 10286

**Re: Freddie Mac Structured Agency Credit Risk (STACR<sup>®</sup>) REMIC 2023-DNA2 Notes**

This “**Securitization Regulation Agreement**” is being delivered by Freddie Mac, as sponsor (the “**Sponsor**”) to the addressees hereto in connection with the issuance by the Freddie Mac STACR REMIC Trust 2023-DNA2, a Delaware statutory trust (the “**Issuer**”) of the Freddie Mac Structured Agency Credit Risk (STACR<sup>®</sup>) REMIC 2023-DNA2 Notes (collectively, the “**Notes**”) pursuant to that certain Indenture of even date herewith (the “**Indenture**”) among the Issuer, U.S. Bank Trust Company, National Association, as Indenture Trustee and Exchange Administrator, and The Bank of New York Mellon, as Custodian.

## **1 DEFINITIONS**

All capitalized terms used but not defined herein shall have the meanings given to such terms in the Indenture. The following capitalized terms shall have the following meanings:

“**Institutional Investor**” means either an EU Institutional Investor or a UK Institutional Investor.

“**EU Due Diligence Requirements**” means the requirements applicable to EU Institutional Investors under Article 5 of the EU Securitization Regulation.

“**EU Institutional Investor**” means an institutional investor as defined in the EU Securitization Regulation.

“**EU Retention Requirement**” means the requirement that the originator, sponsor or original lender of the securitization (i) retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with

Article 6(1) of the EU Securitization Regulation, and (ii) discloses the risk retention to EU Institutional Investors.

**“EU Securitization Regulation”** means Regulation (EU) 2017/2401 amending Regulation (EU) No. 575/2013 and Regulation (EU) 2017/2402 relating to a European framework for simple, transparent and standardized securitization, as amended, varied or substituted from time to time, and including any implementing regulation, technical standards and official guidance related thereto, in each case as amended, varied or substituted from time to time.

**“EU Transparency Requirements”** means the disclosure requirements under Article 7 of the EU Securitization Regulation or any replacement provision included in the EU Securitization Regulation from time to time.

**“EUWA”** means the European Union (Withdrawal) Act 2018, as amended.

**“UK Due Diligence Requirements”** means the diligence requirements under Article 5 of the UK Securitization Regulation or any replacement provision included in the UK Securitization Regulation from time to time.

**“UK Institutional Investor”** means an institutional investor as defined in the UK Securitization Regulation.

**“UK Retention Requirement”** means the requirement that the originator, sponsor or original lender of the securitization (i) retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6(1) of the UK Securitization Regulation, and (ii) discloses the risk retention to UK Institutional Investors.

**“UK Securitization Regulation”** means Regulation (EU) 2017/2402 relating to a European framework for simple, transparent and standardised securitization in the form in effect on December 31, 2020, which forms part of UK domestic law by virtue of the EUWA, as amended by the Securitization (Amendment) (EU Exit) Regulations 2019 of the United Kingdom and as further amended, varied or substituted from time to time as a matter of UK law, including (i) any technical standards thereunder as may be effective from time to time and (ii) any guidance relating thereto as may from time to time be published by the UK Financial Conduct Authority and/or the UK Prudential Regulation Authority (or, in each case, any successor thereto).

## 2 REPRESENTATIONS

The Issuer represents and warrants to the addressee hereof:

- (a) the Sponsor confirms it is a corporate instrumentality of the United States created pursuant to an Act of Congress on July 24, 1970 (Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§1451-1459, hereinafter referred to as the **“Freddie Mac Act”**), has full power and authority to own its assets and the

securities proposed to be owned by it including the Retained Interest and to transact the business in which it is presently engaged;

- (b) the Sponsor has full power and authority to execute and deliver this Securitization Regulation Agreement and perform all of its obligations required hereunder and has taken all necessary action to authorize this Securitization Regulation Agreement on the terms and conditions hereof and the execution, delivery and performance of this Securitization Regulation Agreement and the performance of all obligations imposed upon it hereunder. No consent of any other person and no licence, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority, other than those that have been or shall be obtained in connection with this Securitization Regulation Agreement, is required by the Sponsor in connection with this Securitization Regulation Agreement or the execution, delivery, performance, validity or enforceability of this Securitization Regulation Agreement or the obligations imposed upon it hereunder; and
- (c) this Securitization Regulation Agreement constitutes the legally valid and binding obligations of the Sponsor enforceable against it in accordance with its terms, subject, as to enforcement, to (i) the effect of bankruptcy, examination, insolvency or similar laws affecting generally the enforcement of creditors' rights, as such laws would apply in the event of any bankruptcy, examination, receivership, insolvency or similar event applicable to the Issuer and (ii) general equitable principles (whether enforceability of such principles is considered in a proceeding at law or in equity).

### 3 COVENANTS

The Sponsor hereby agrees, and irrevocably and unconditionally undertakes to the Indenture Trustee, for the benefit of each Institutional Investor, in connection with the EU Due Diligence and UK Due Diligence, on an ongoing basis, so long as any Notes remain outstanding:

- (a) it will, as originator (as such term is defined in the EU Securitization Regulation and UK Securitization Regulation), retain on an ongoing basis a material net economic interest (the “**Retained Interest**”) in the transaction constituted by the issuance of the Notes (the “**Transaction**”) of not less than 5% in the form specified in Article 6(3)(a) of the EU Securitization Regulation and Article 6(3)(a) of the UK Securitization Regulation (i.e., retention of not less than 5% of the nominal value of each of the tranches sold or transferred to such investor) by:
  - (i) retaining the credit risk on the Class M-1AH Reference Tranche, the Class M-1BH Reference Tranche, the Class M-2AH Reference Tranche, the Class M-2BH Reference Tranche, the Class B-1AH Reference Tranche and the Class B-1BH Reference Tranche, in each case, in an amount such that it will be not less than 5% of the credit risk on each of: (a) the Class M-1A and Class M-1AH Reference Tranches (in the aggregate), (b) the

Class M-1B and Class M-1BH Reference Tranches (in the aggregate), (c) the Class M-2A and Class M-2AH Reference Tranches (in the aggregate), (d) the Class M-2B and Class M-2BH Reference Tranches (in the aggregate), (e) the Class B-1A and Class B-1AH Reference Tranches (in the aggregate) and (f) the Class B-1B and Class B-1BH Reference Tranches (in the aggregate), respectively, and

- (ii) retaining the credit risk on not less than 5% of each of the Class A-H Reference Tranche, the Class B-2H Reference Tranche and the Class B-3H Reference Tranche and, in the case of any tranching of the Class A-H Reference Tranche, the Class B-2H Reference Tranche or the Class B-3H Reference Tranche, on not less than 5% of each tranche into which the Class A-H Reference Tranche, the Class B-2H Reference Tranche or the Class B-3H Reference Tranche, as applicable, is tranced;
- (b) neither it nor its affiliates will sell, hedge or otherwise enter into any credit risk mitigation, short position or any other credit risk hedge with respect to the Retained Interest or the Reference Obligations, except to the extent permitted in accordance with Article 6 of the EU Securitization Regulation and Article 6 of the UK Securitization Regulation;
- (c) it will take such further action, provide such information and enter into such other agreements as may reasonably be required to satisfy the EU Retention Requirement and UK Retention Requirement as of the Closing Date and, solely as regards to the provision of information in its possession or that of its affiliates and to the extent the same is not subject to a duty of confidentiality, any time prior to maturity of the Notes;
- (d) it will confirm its continued compliance with the undertakings set forth in paragraphs (a) and (b) above:
  - (i) on a quarterly basis to the Indenture Trustee in writing for reporting to Holders of the Notes;
  - (ii) where the performance of the Notes or the risk characteristics of the Transaction or of the Reference Obligations materially change; and
  - (iii) following a breach of the obligations included in the Indenture;
- (e) it will promptly notify the Indenture Trustee in writing if for any reason:
  - (i) it ceases to hold the Retained Interest in accordance with paragraph (a) above, or
  - (ii) it or any of its affiliates fails to comply with the covenants set out in paragraphs (b) and (c) above in any way; and

- (f) it will provide on a monthly basis loan-level disclosure in respect of the Reference Obligations in the form of the reporting template set out in Annex 2 (Underlying Exposures – Residential Real Estate) to Commission Delegated Regulation (EU) 2020/1224 as such reporting template is published on the website of the European Securities and Markets Authority as of the date of the Memorandum; provided that:
- (i) in respect of certain fields in such reporting template either (A) it does not have available the data that would be required to complete them, (B) such fields are not applicable to the Reference Obligations or (C) disclosing the data necessary to complete them would result in it breaching applicable law or confidentiality obligations. It makes available on its website a mapping and explanation document which explains how it provides data for the different fields in such reporting template; and
  - (ii) if a replacement reporting template is adopted for the purpose of the EU Transparency Requirements and may be used for securitizations which issued prior to such adoption, it may elect to instead report in the form of such replacement template.

## **4 MISCELLANEOUS**

### **4.1 Governing Law**

This Securitization Regulation Agreement shall be construed 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 would not frustrate the purposes of the Freddie Mac Act or any provision of this Securitization Regulation Agreement or the transactions governed thereby, the laws of the State of New York shall be deemed reflective of the laws of the United States.

### **4.2 Jurisdiction**

The Issuer irrevocably submits to the non-exclusive jurisdiction of the United States federal court located in the Borough of Manhattan in the City of New York in any action or proceeding arising out of or relating to this Securitization Regulation Agreement, and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such federal court.

### **4.3 Notices**

Any notice or demand to be given, made or served for any purposes under this Securitization Regulation Agreement shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas), facsimile transmission or e-mail or by delivering it by hand as follows:

To the Sponsor:

Federal Home Loan Mortgage Corporation  
1551 Park Run Drive  
McLean, Virginia 22102  
Attention: Kevin Palmer, V.P.—Strategic Credit Costing & Structuring  
Telephone: 571-382-4313  
E-mail: kevin\_palmer@freddiemac.com

with copies to:

Federal Home Loan Mortgage Corporation  
8200 Jones Branch Drive  
McLean, Virginia 22102  
Attention: Vice President & Deputy General Counsel—Securities

Very truly yours,

**FEDERAL HOME LOAN MORTGAGE  
CORPORATION**