FREDDIE MAC INVESTOR DAY

VIRTUAL EVENT SERIES 2021

June 10, 2021

MIKE REYNOLDS

VICE PRESIDENT
SINGLE-FAMILY CRT
FREDDIE MAC

DONNA CORLEY

EXECUTIVE VICE PRESIDENT
SINGLE-FAMILY BUSINESS
FREDDIE MAC

Investor Day
Virtual Event Series 2021

Servicing Policy Updates

Bill Maguire

Vice President, Single-Family Servicing Portfolio Management

Thursday | June 10 | 2021

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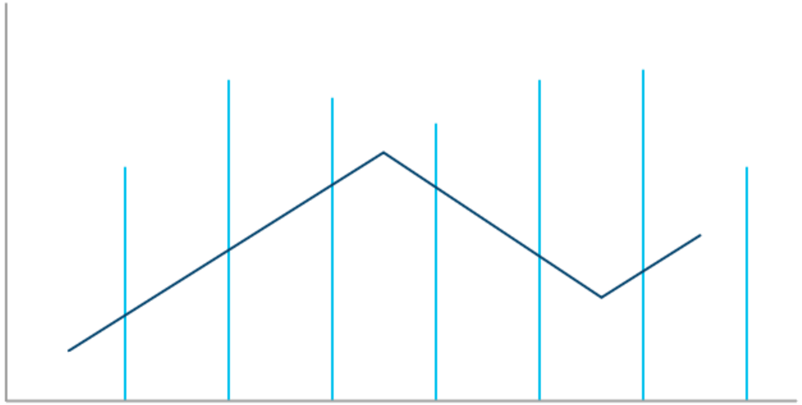
Servicing Overview

Our Teams Influence Positive Portfolio Outcomes

Superior Servicer Portfolio Performance



Quality Servicing

Risk Management

Sustainable Homeownership

Policy and program development

Servicer Success Scorecard and data analytics

Servicer Relationship Management

Quality Assurance and Operational Reviews

Regulatory and compliance oversight

Loss reduction

Who Are Our Servicers?

Overview

1,450 active Servicers

23 voluntarily terminated (entire relationships), removed or denied in the last 12 months

Trending

Significant growth in subservicing with a few new players in the market

$717B UPB (as of December 2020)

51% YOY increase

32% of our total servicing portfolio

Increasing concentration in non-banks

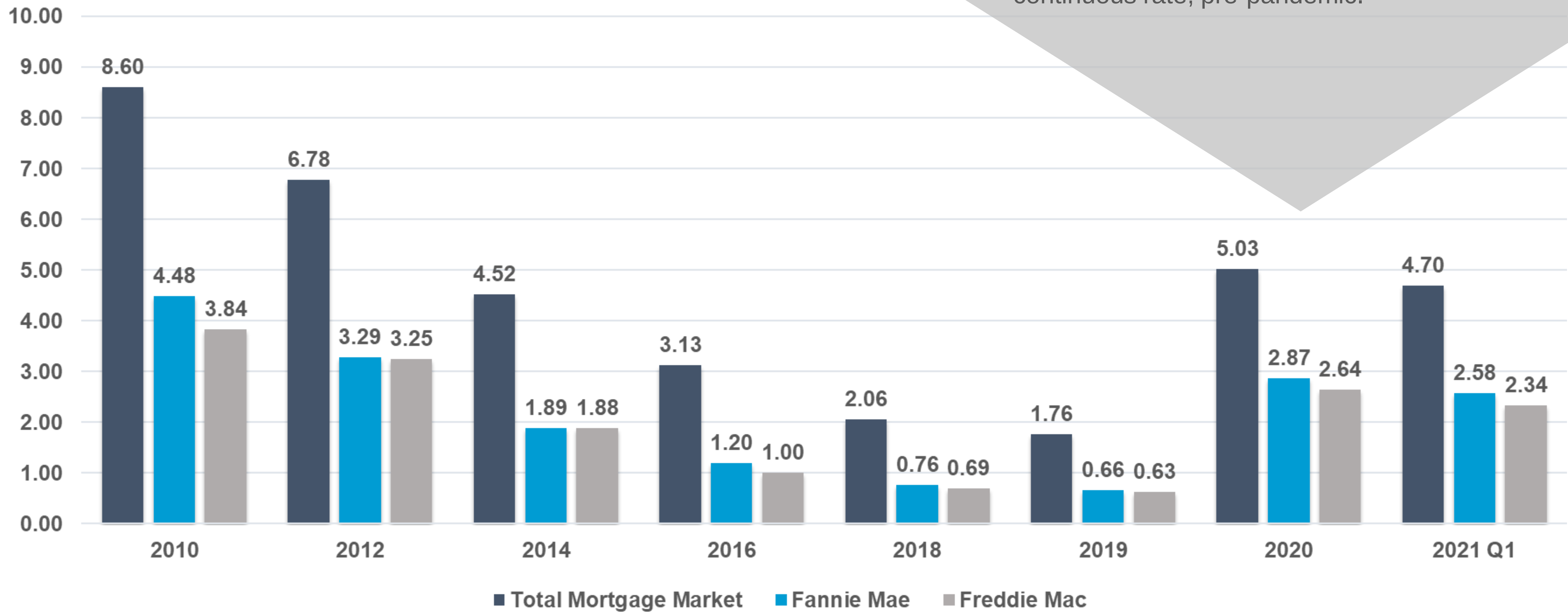
30% in 2014

43% in 2020

Seriously Delinquent Rate

The 2020 pandemic directly affected the overall SDQ rate for the market; peaking above 5% for the first time since 2014.

Our average SDQ rate remained lower than the market and our competition. Due to increased loss mitigation efforts, our SDQ rate dropped at a continuous rate, pre-pandemic.



How We Monitor Performance

Servicer Relationship Mgmt

Average 25+ years of industry experience

All have worked in servicing through the housing crisis

Well-rounded view of performance provides broad and in-depth analysis of servicing of performing and non-performing loans

Supporting ongoing discussions with customers on performance strengths, challenges, as well as risk concentration and operational risk

Account Plans

- Focused on covered National, Regional and Community Servicers, Independent Mortgage Bankers, Specialty Servicers, Master Servicers, and Subservicers.
- Sets goals and objectives.
- Establishes agreed-upon action plans and milestones.

Scorecard

- Performance Categories:
  - Default Mgmt
  - Investor Reporting
  - File Review Defect Rates
- Performance evaluation:
  - Specific to servicer segments (rank groups)
  - Uses synthetics & ranks
- **SHARP[SM]** – Servicer Honors and Rewards Program

File Reviews, Rewards, and Remedies

- Identifies servicing performance gaps and trends. Resolve issues that prevent achievement of top performance.
- Encourages and rewards quality servicing.
- Provides consequences for poor data quality and servicing processes

CORE

- Works closely with Servicer Relationship Mgmt to ensure review scope addresses new/ emerging risks.
- Identifies SF counterparty operational risk issues and monitors remediation.
- Provides assessment of Counterparty's compliance to Guide Requirements
- Conducts on-site due diligence of Servicers' preparedness for large MSR transfers.

2020 SHARP Award Winners

We Recognize Superior Servicing

Our Servicer Honors and Rewards Program℠ (SHARP) enables eligible servicing clients to receive rewards and recognition based on their Servicer Success Scorecard annual rank.

The SHARP awards represent quality servicing, risk management and sustainable homeownership-and we're excited to recognize the success of our clients."

Bill Maguire I Vice President, Portfolio Management

Freddie Mac

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Freddie Mac
Single-Family

Freddie Mac Servicing COVID-19 Response

Servicing COVID-19 Response by the Numbers

768k forbearance plans resulted in a

3.17% (peak) SDQ rate

2.34%
(Mar. 2021) SDQ rate

Initiatives to reduce the SDQ rate

Issued **14** COVID-19 servicing Bulletins

Hosted Servicer webinars totaling **8,000+ attendees**

Held **~20** advisory board meetings with top 15 Servicers

Settled **219k** COVID-19 Payment Deferrals through Mar. 2021

Conducted **18,000+** servicing file reviews to monitor performance

Responsive Policies to Support the Industry

Since the start of the pandemic, Freddie Mac has made ongoing changes to support COVID-19 impacted borrowers.

PRESENT

MAR '20
- **Initial COVID-19 Related Flexibilities**

APR - JUN '20
- **Payment Deferral Options**
- Moratorium Extended

JUL - SEP '20
- Disaster Payment Deferral
- Moratorium Extended
- Reporting Updates
- Forbearance Updates

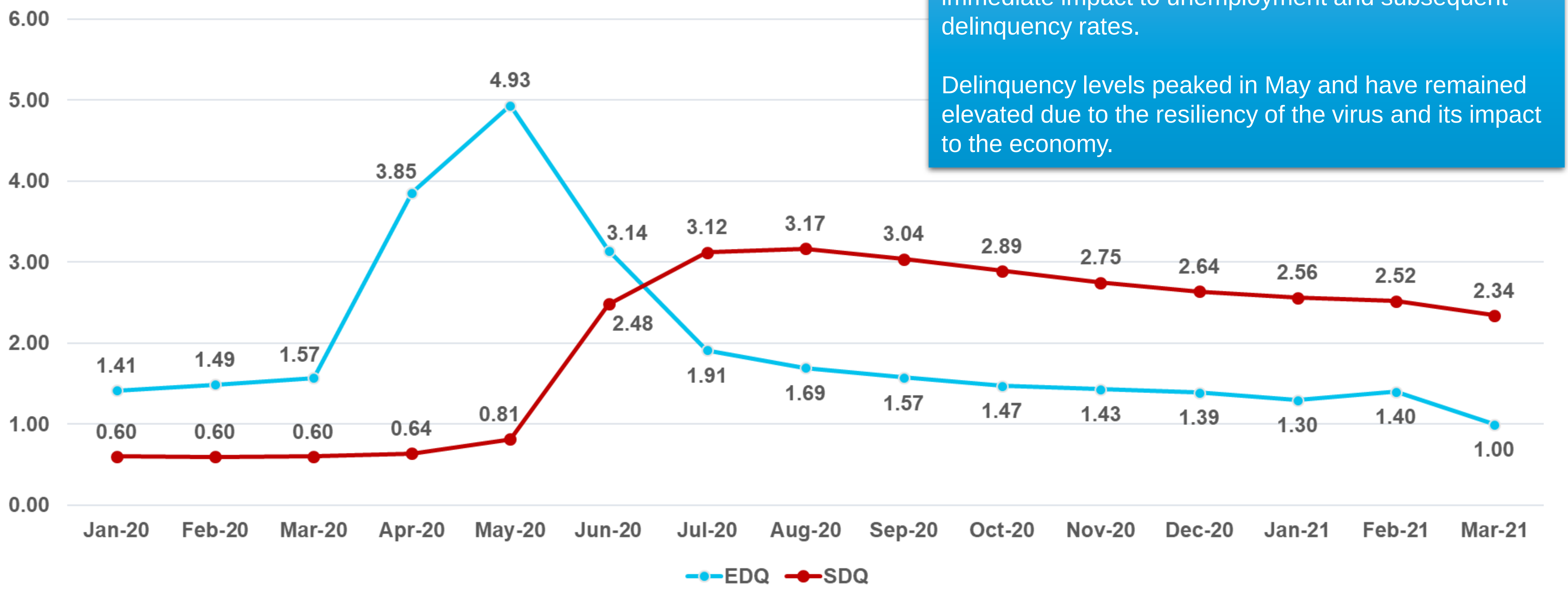
OCT - DEC '20
- Mortgage Insurance Updates
- Flex Mod Eligibility
- Electronic Payment Deferral Agreements
- Moratorium Extended

JAN - MAR '21
- **Moratorium Extended**
- **COVID-19 Forbearance Updates**
- **COVID-19 Payment Deferral Expansion**
- Flex Mod Eligibility

COVID-19 Impact on Freddie Mac Delinquency Rates

Starting in March 2020, the COVID-19 pandemic had an immediate impact to unemployment and subsequent delinquency rates.

Delinquency levels peaked in May and have remained elevated due to the resiliency of the virus and its impact to the economy.

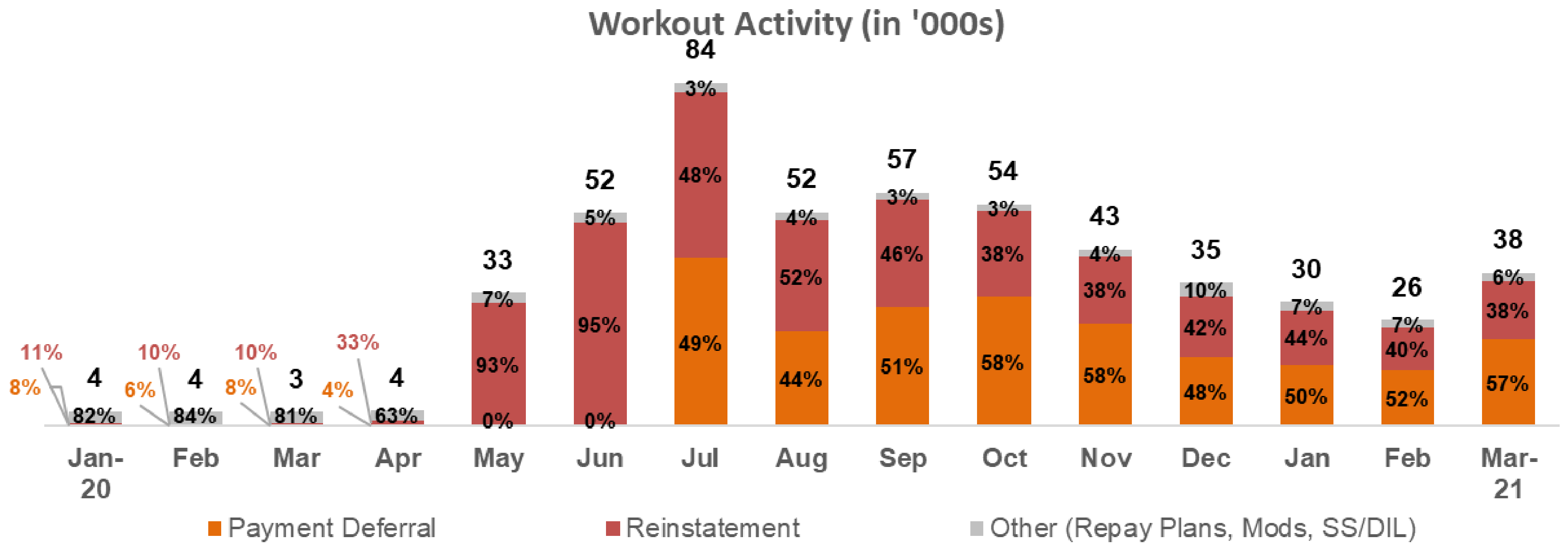


Early Delinquency (EDQ) – D30 + D60

Seriously Delinquent (SDQ) – D90+

Freddie Mac COVID-19 Outcomes

- Freddie Mac's response (in alignment with Fannie Mae) to the crisis was swift and included the implementation of loss mitigation and servicing products designed to assist homeowners.
  - Payment Deferrals (PD) have been the primary workout option for struggling homeowners. We have processed ~219k PDs since July.
  - Important to note that ~ 50% of delinquencies reinstated or paid off.



Continuous Servicer Engagement

- Servicer engagement was a critical factor in 2020 to ensure our policies aligned with changes occurring in the industry due to COVID-19.
- In addition to monthly and sometimes weekly servicer calls, we utilized surveys to gauge servicer readiness and to solicit additional information.
- Our goal is always to ensure our servicers are equipped with the toolkits to succeed.
- Aided in identifying early and responding to quickly issues/concerns identified.

- **Multiple Operational Readiness Survey:**
  - Developed to gauge servicer readiness as most borrowers exit PD and Forbearance Options.
- **Held ~20 calls with Small Servicer with total of 8000+ participants.**
- **Numerous Advisory Board Meetings with top 15 Servicers.**
- **Monthly Client Webinars/Training offered.**
- **Initiated Weekly COVID Recap email.**
- **#HelpStartsHere campaign for Servicers.**

Combined with our flexible policies, our comparatively low SDQ rates are a direct result of the continued engagement with our servicers.

Emerging Risks

- Uncertainty around the actions taken by FHFA, CFPB and the Administration.
    - Extension of FCL Moratorium.
    - Implementation of CFPB proposed rules.
- Current loss mitt tool kit sufficient to support borrowers that are deeper in delinquency.
- Legal and process capacity to support restarting the FCL process.

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Freddie Mac
Single-Family

Reimagine Servicing®

We’re Transforming the Servicing Lifecycle

Transforming the client experience

Creating an easier path to do business with us

Improving efficiencies

Eliminating manual processes, improving data quality and making access to servicing data easily available

Bringing innovation and speed to market

Developing and deploying solutions that meet our clients’ needs and give them a competitive advantage

Reducing costs

Providing a no-cost servicing and default tool

Key Reimagine Servicing Products

PAID (Expense Reimbursement)

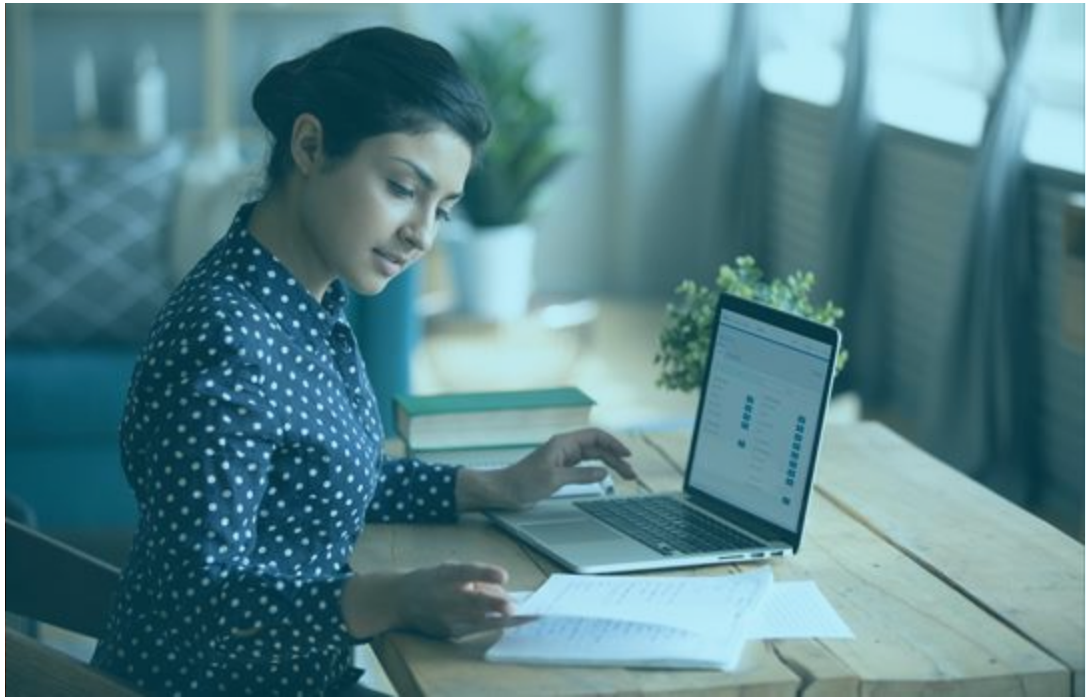
- Launched to early adopters in October 2020
- Broad adoption in 2021

Resolve (Loss Mitigation)

- Launched the Resolve Retention API for Flex Modifications in November 2020 (includes COVID19 and Disaster)
- Expanded the Resolve Retention API to include Payment Deferral on March 1, 2021 (includes COVID19 and Disaster)
- Launched Decision Insight for non-delegated short sales on March 1, 2021

Servicing Gateway (Servicing Portal)

- Launched in 2019
- Added Servicing tools and continued to enhance navigation and functionality



Working with Partners for Success

> "What's really wonderful about a platform like Resolve is that borrowers will receive the full support and benefit of Freddie Mac policy and programs… impartial and timely. This level of uniformity is unprecedented in the servicing industry." – Pat Kopins, chief operating officer, BackInTheBlack

- Process/systems enhancements
- Leveraging insights
- Sharing concepts and co-designs
- End-to-end usability testing
- Early adoption programs

Freddie Mac
Single-Family

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Servicing Operations and REO Overview

Eric Will

Senior Director, Single-Family REO Operations

Thursday | June 10 | 2021

Agenda

Mission

To effectively manage Freddie Mac's *credit losses* in a way that maximizes financial recoveries and supports *community stabilization*.

Credit Loss Management

- Improve Collateral Values
- Manage Expenses
- Maximize Remedies

Community Stabilization

- Preserve, Maintain and Repair
- Price Homes at Fair Market Value
- Non-Profit / Owner Occupant Priority

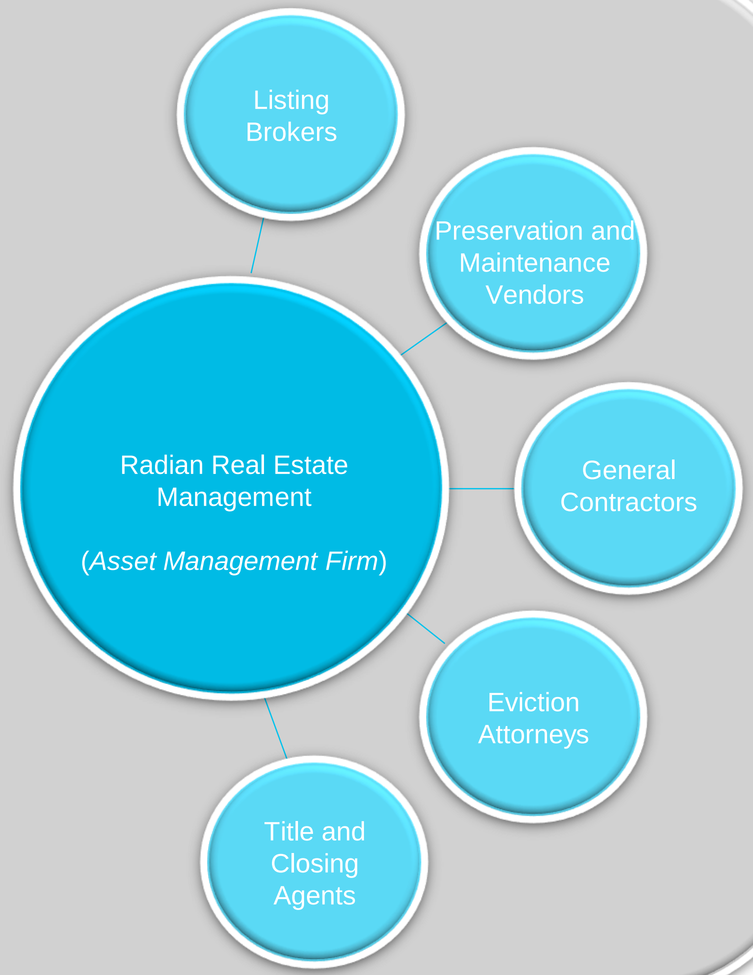
Business Model

Freddie Mac utilizes the asset management firm Radian Real Estate Management (RREM), to perform the core REO disposition activities using their vendor network.

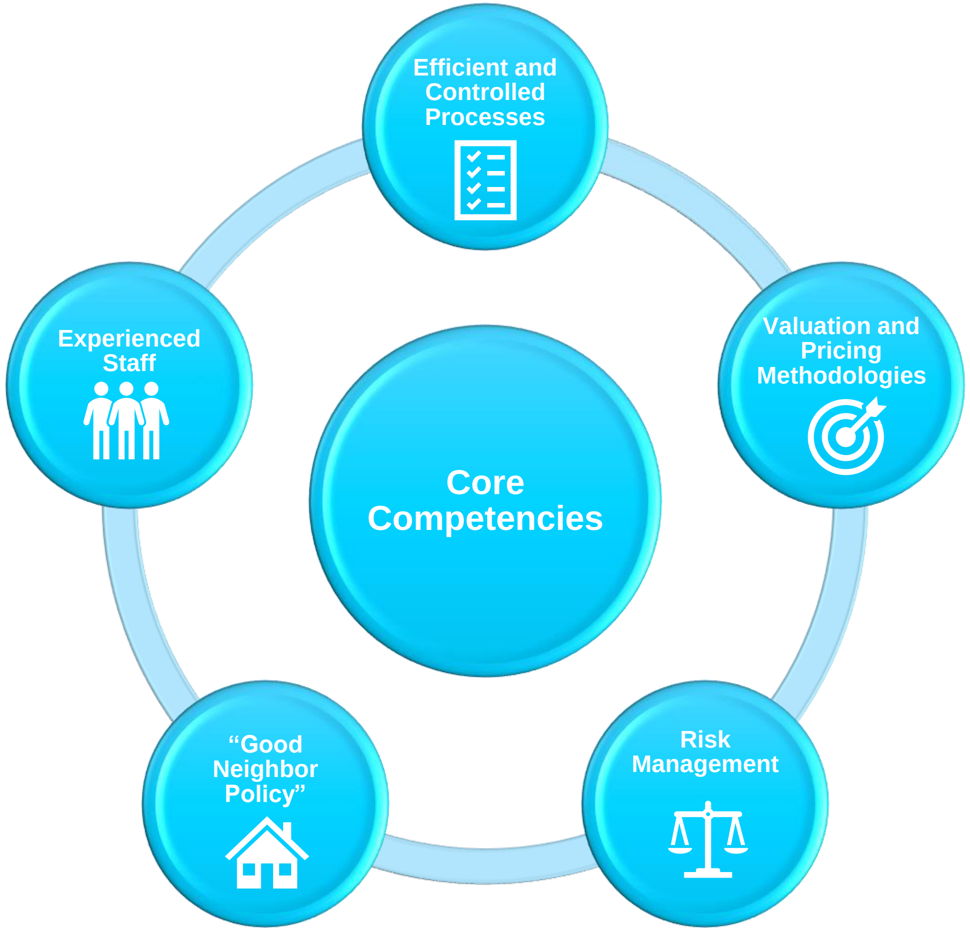
REO Core Process	
REO Core Process Outsourced with Freddie Mac Oversight	RREM and their vendors are required to use Freddie Mac systems, follow detailed policies and procedures, and utilize proprietary methodologies for valuation, pricing, and repair decision-making.
REO Support and Financial Functions Managed by Freddie Mac Staff	Freddie Mac staff perform oversight monitoring, support, and financial functions.

Freddie Mac

- *Oversight*
- *Support*
- *Financial Functions*



Core Competencies



- Mature, efficient, and controlled disposition processes that helped us effectively manage our REO portfolio during the last financial crisis. Processes are continually refined as business and market conditions change.
- Extensive disposition data and analytics used to develop pricing models and disposition strategies to maximize collateral recoveries.
- Proven financial, liability and reputation risk management practices.
- REO homes are properly maintained and priced to protect communities. Nonprofit / Owner Occupant exclusive purchase opportunities.
- Experienced and tenured staff and management team.

Disposition Strategies

Day 1 Auction

- "Second chance foreclosure sale"
- Vacant and occupied assets

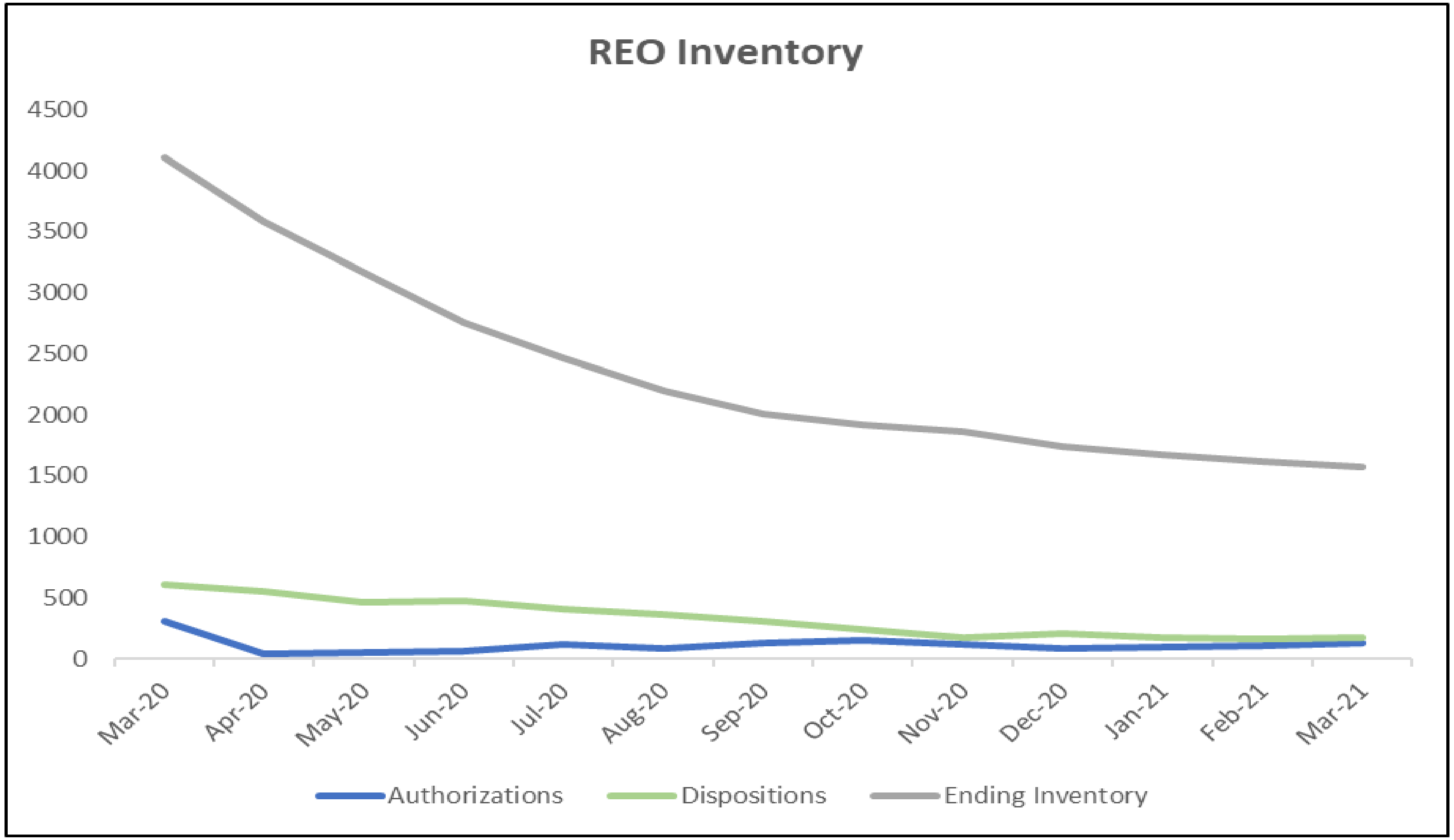
UTM Auction

- Assets in redemption and eviction

Retail Channel

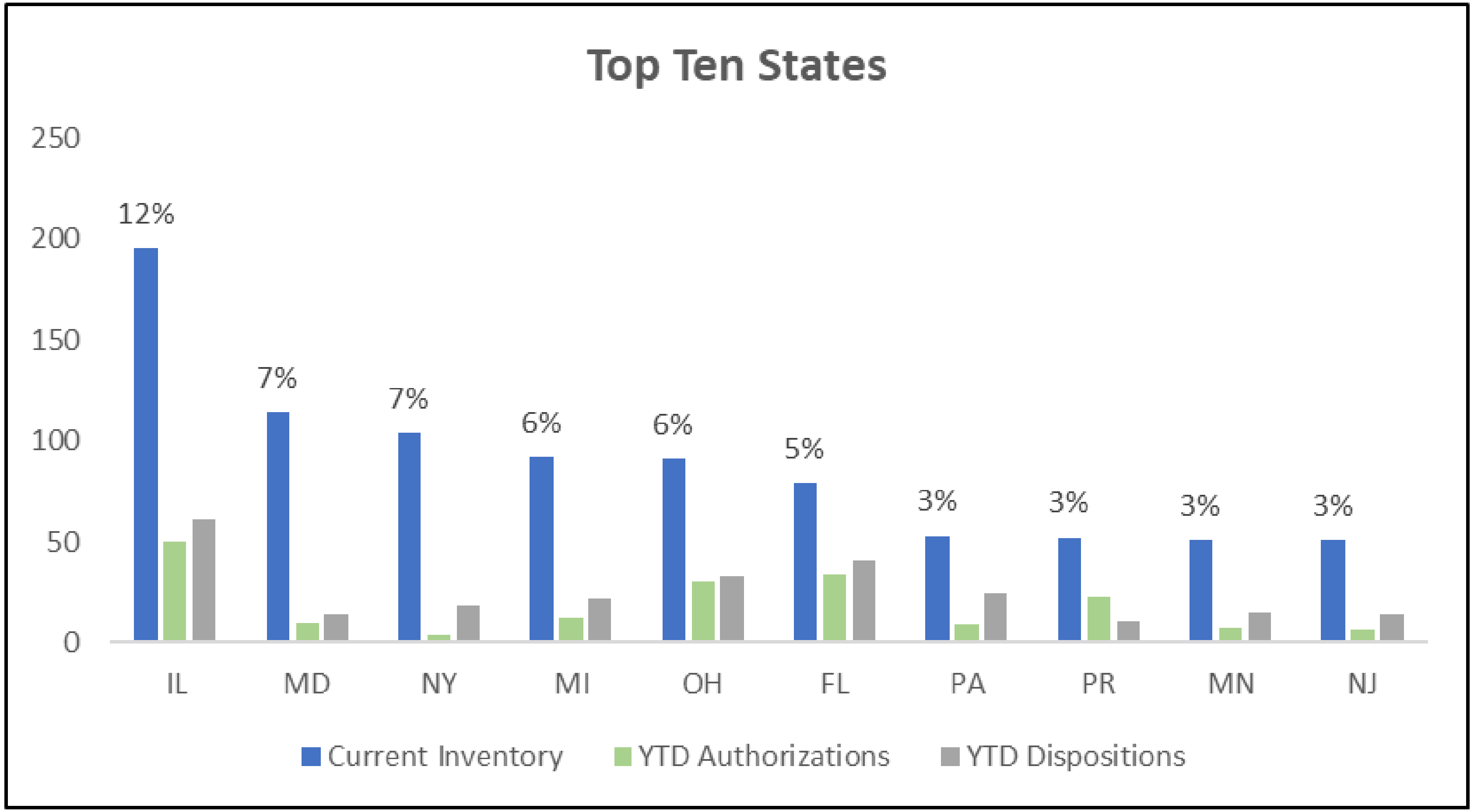
- Assets listed for sale with listing broker and marketed in MLS

Portfolio Overview: *Inventory Levels*



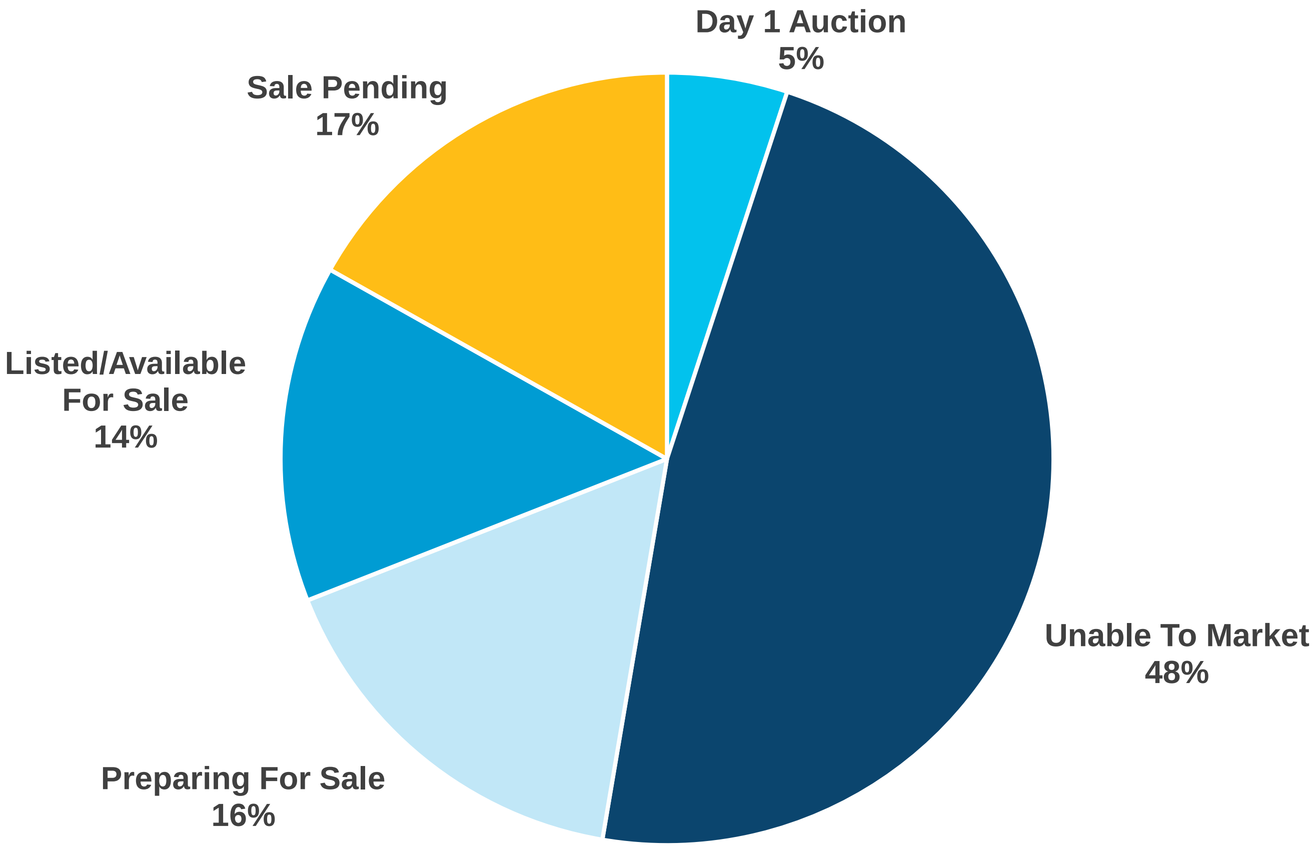
- Since March 2020, inventory levels have decreased by approximately 2.5K units representing a 62% reduction.
- Drivers of the reduction are the improved credit quality of our book of business, upstream loss mitigation remedies, market improvements, effective REO disposition strategies and COVID related foreclosure moratoriums.

Portfolio Overview: *Top 10 States*



- Our current portfolio is less concentrated, located in areas where the housing stock is older, more highly distressed, and in judicial states, many of which have redemption or confirmation periods.
- The top 10 states comprise 56% of our total portfolio.
- The top volume state has 195 assets with the tenth volume state having 51 assets.

Portfolio Overview: *Inventory by Status*



- The foreclosure moratorium has significantly constricted new REO inflows (*only vacant and DIL*).
- Low interest rates, strong real estate markets and shortage of inventory have kept sales activity strong.
- With reduced inflows, strong sales, and the eviction moratorium, the percentage of inventory in an *Unable To Market* status continues to grow.

COVID-19 Pandemic: *Impacts*

- The REO portfolio has experienced a 66% reduction since January 2020.
- The eviction portfolio continues to age due to the moratoriums.
- Stopped selling occupied assets via Day 1 And UTM Auction to support and align with the eviction moratorium.
- Performance metrics and vendor scorecards are being significantly skewed. Some look extremely good and some look extremely bad.
- Conducting pilots has been challenging and is taking longer to obtain performance results due to the significant decrease in transactions.
- A higher number of vendors have gone out of business or had to merge due to the lack of volume.
- We have been unable to be "*out in the field*" looking at our inventory and working with vendors.

COVID-19 Pandemic: *Response*

- Performing analysis to understand whether key metrics are reflecting true performance or are being driven by dynamics created from the moratoriums.

- Collaborating with Radian Real Estate Management (RREM) on backup/contingency plans for vendor coverage.

- Implementing new process changes related to FHFA directives, temporary orders and new legislation (*e.g., moratorium deadlines, removing listed properties from the market in certain states, new CA "upset bid" legislation, etc*.).

- Changed processes for reimbursement of legal fees to attorneys allowing for interim billings as work is completed versus waiting for complete settlement.

- Instituted weekly "*touch base*" meetings with RREM.

2021 Focus

- Continuing to manage impacts and process changes related to the moratoriums as well as new laws, regulations, etc.
- Preparing for "*return to normal*" when the moratoriums end.
- Continuing to develop, pilot and implement innovative disposition and pricing strategies to reduce timelines, maximize collateral recoveries, and reduce overall credit losses.
- Refining business processes and systems to improve controls and create operational efficiencies.

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Portfolio Management and Analytics

Sacha Rosenthal

Vice President, Single-Family Servicing Portfolio Analytics

Thursday | June 10 | 2021

Agenda

01 What We Know

02 Forbearance Information

03 What We Have Seen/Heard

04 What We Don’t Know

01

What We Know

- **Uncertainty remains**: We know a lot more know than we did last year, but we are still not out of the woods.

- **Unintended (or intended?) consequences**: The CARES Act required a pause in credit reporting on all trade lines with an ‘accommodation.’
  - Delinquency due to an accommodation is not reported/paused making it difficult to leverage FICO for borrowers on forbearance (FB).

- **Servicers are much better prepared** for loss mitigation this time vs. 2009/2010.

- After overwhelming demand for FB from borrowers, Servicers rapidly implemented technology in Q2 2020 to enable borrowers to request FB (such as an online portal). This accelerated the pace of FB Activity.

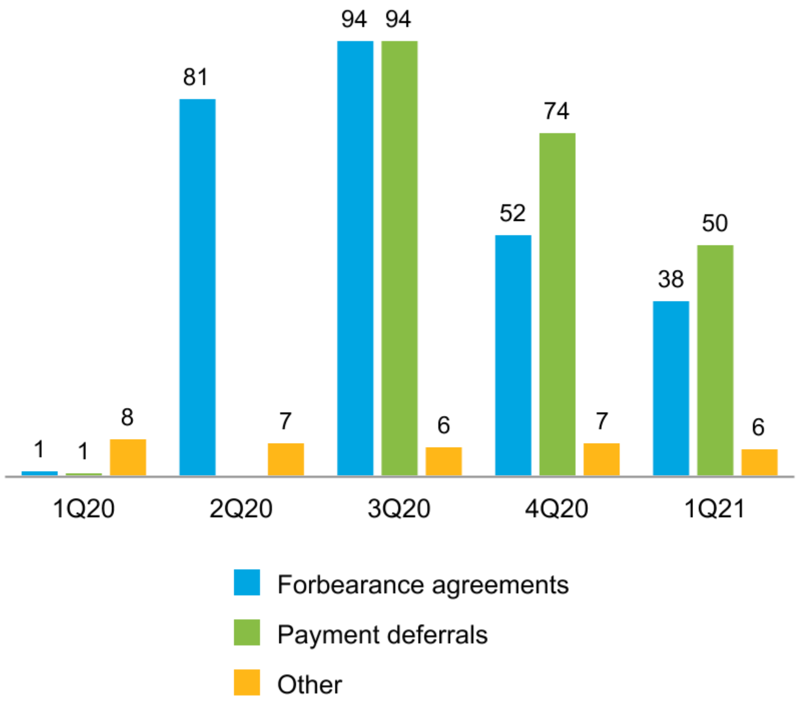
01

What We Know

- **Borrower behavior is different**: We observe borrowers opt-in to FB who were current on their mortgage.
  - Of these many exited FB without going DQ.
  - Some have stayed current through the duration of the FB.
  - Some might have been created in error, others may not have fully understood what it meant.
- **FB plans can now extend up to 18 months** (in 3-month increments), with payment deferral (PD) and flex modifications available if the borrower is not able to cure on their own.
- Working with FHFA to develop **new products to aid borrowers has been a huge success**.
  - The PD program has had a big (and positive) impact on COVID-19 FB exits.
  - The PD program is now available as a resolution option for natural disaster related FB.
    - The flex modification is also available post disaster if a borrower needs payment relief.
- Foreclosure (FCL) moratorium is in effect until 6/30/21, but potential CFPB rules could push that date out further – perhaps until the end of 2021.

FB Volume and Workouts/Loss Mitigation

Number of Single-Family loan workouts[1]
In Thousands



- Peak FB initiation was in Q2 2020.
- FB based DQs cannibalized the traditional DQ inflows, showing that the policy worked as intended.
- PD was deployed in July 2020 and has been heavily leveraged.

Other includes repayment plans, loan modifications, and foreclosure alternatives.

Source: http://www.freddiemac.com/investors/financials/pdf/supplement_1q21.pdf. [1]See end notes.

Forbearance Exit Activity

The table below presents a summary of single-family loans that received forbearance and were past due based on the loans' original contractual terms at some point during the forbearance period.

Table 28 - Status of Single-Family Loans That Received Forbearance[1]

(Loan count in thousands)	March 31, 2021	December 31, 2020
Active forbearance at end of period	230	280
Forbearance plan exits[2] (from January 1, 2020 to end of period)		
Reinstatement[3]	219	189
Pay-off	48	39
Payment deferral	219	166
Other[4]	52	43
Total forbearance plan exits[5]	538	437
Total single-family loans that received forbearance[6] (from January 1, 2020 to end of period)	**768**	**717**

(1) Excludes certain loans for which we do not control servicing and loans underlying certain legacy transactions, as the forbearance information for these loans is either not reported to us by servicers or not readily available to us. These loans represented approximately 2% of the single-family mortgage portfolio as of both March 31, 2021 and December 31, 2020.

(2) Represents the exit path the borrower took upon exit from the forbearance plan, which could be at the end of or during the forbearance period.

(3) Includes forbearance plans where the borrower brought the mortgage current during forbearance.

(4) Primarily includes forbearance plans where the borrowers remained delinquent and the exit paths were not determined at the end of the forbearance periods. Also includes other exit paths such as repayment plans, modifications, and foreclosure alternatives.

(5) 85% and 83% of loans that received forbearance and subsequently exited were current or paid off as of March 31, 2021 and December 31, 2020, respectively.

(6) Based on number of forbearance plans. A loan may have received more than one forbearance plan during the period.

Source: http://www.freddiemac.com/investors/financials/pdf/10q_1q21.pdf.

- 70% of loans have already exited FB with reinstatements and payment deferrals leading the way.

Forbearance Delinquency

Table 26 - Single-Family Loans in Forbearance Plans by Payment Status(1)

	March 31, 2021					
(Dollars in millions)	Current	One Month Past Due	Two Months Past Due	Three Months to Six Months Past Due(2)	Greater Than Six Months Past Due(2)	Total
UPB	$7,725	$3,149	$2,947	$10,425	$33,293	$57,539
Number of loans (in thousands)	39	16	15	51	149	270
As a percentage of our single-family mortgage portfolio(3)	0.32%	0.13%	0.12%	0.41%	1.21%	2.19%

	December 31, 2020					
(Dollars in millions)	Current	One Month Past Due	Two Months Past Due	Three Months to Six Months Past Due(2)	Greater Than Six Months Past Due(2)	Total
UPB	$8,907	$5,443	$4,372	$15,366	$35,144	$69,232
Number of loans (in thousands)	44	28	22	75	155	324
As a percentage of our single-family mortgage portfolio(3)	0.37%	0.23%	0.18%	0.63%	1.29%	2.70%

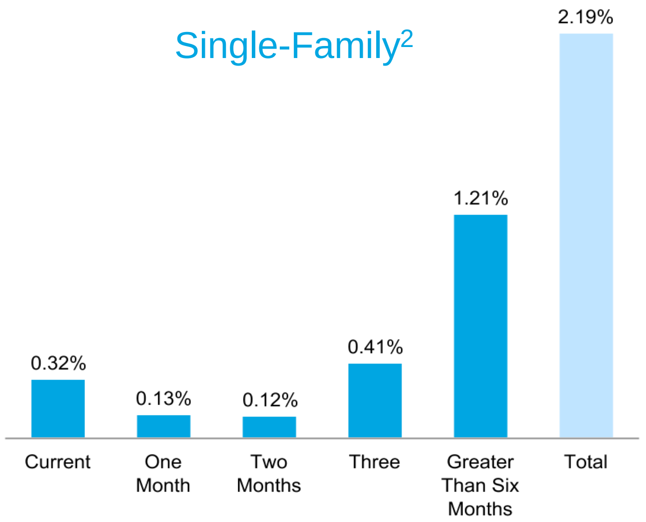
(1) Excludes certain loans for which we do not control servicing and loans underlying certain legacy transactions, as the forbearance information for these loans is either not reported to us by servicers or not readily available to us. These loans represented approximately 2% of the single-family mortgage portfolio as of both March 31, 2021 and December 31, 2020.

(2) The UPB of loans in forbearance that were three months or more past due and accruing was $27.7 billion and $42.2 billion as of March 31, 2021 and December 31, 2020, respectively.

(3) Based on loan count.

- Of the 270k left in FB, ~150k are over 6 months past due.

Single-Family[2]

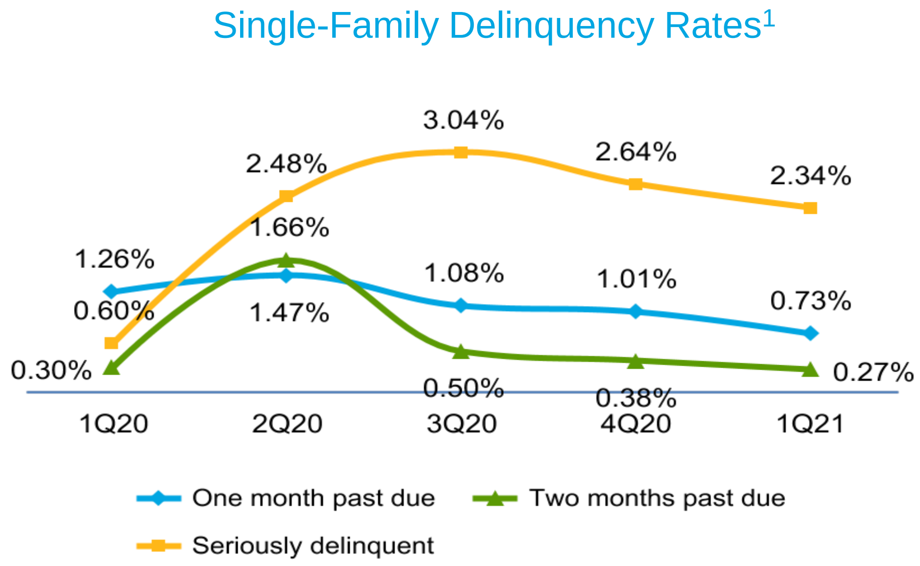


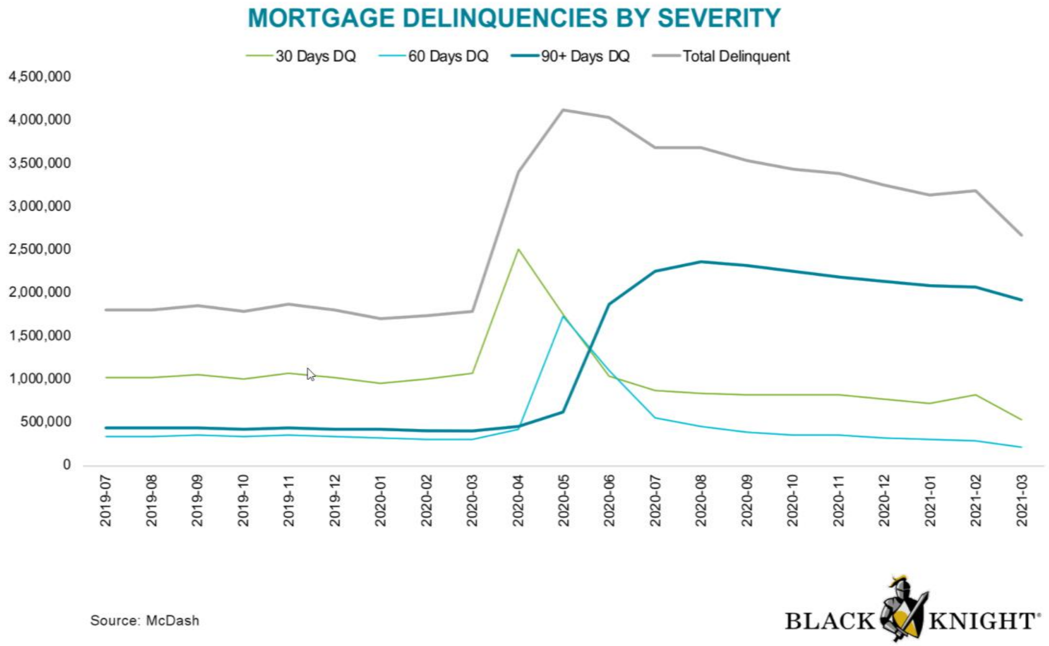
Percentage of loans in the single-family mortgage portfolio that were in forbearance by payment status as of March 31, 2021 (based on loan count).

Source: http://www.freddiemac.com/investors/financials/pdf/10q_1q21.pdf and http://www.freddiemac.com/investors/financials/pdf/supplement_1q21.pdf. [2]See end notes.

02

Portfolio SDQ Rates





- Freddie Mac's portfolio is following a similar DQ pattern to the broader market.
- A typical hurricane pattern shows a rapid spike of DQs and then a recovery over ~12 months.
- Could we see a similar initial pattern, but have a 24-36 month recovery to 'normal'?

Sources: http://www.freddiemac.com/investors/financials/pdf/supplement_1q21.pdf and https://cdn.blackknightinc.com/wp-content/uploads/2021/04/BKI_MM_Mar2021_Report.pdf.

Forbearance LTV Characteristics

Table 25 - Credit Quality Characteristics of Our Single-Family Loans in Forbearance[1]

	March 31, 2021		December 31, 2020	
(Dollars in billions)	UPB	As a % of Total	UPB	As a % of Total
Current LTV ratio:				
≤ 60	$25.5	51 %	$29.4	49 %
> 60 to 80	19.5	39	23.7	39
> 80 to 100	4.7	10	6.9	11
> 100	0.1	—	0.3	1
Total	**$49.8**	**100 %**	**$60.3**	**100 %**

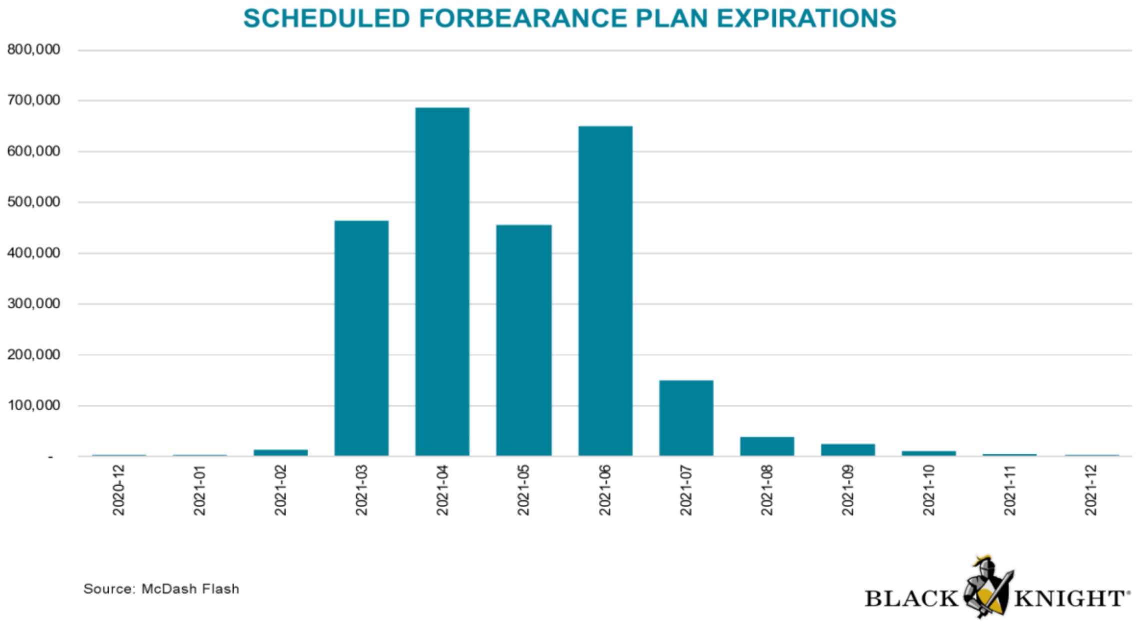
(1) Excludes certain loans for which we do not control servicing and loans underlying certain legacy transactions, as the forbearance information for these loans is either not reported to us by servicers or not readily available to us. These loans represented approximately 2% of the single-family mortgage portfolio as of both March 31, 2021 and December 31, 2020.

- Of those left in FB, over 50% of them have current LTVs <60%.
  - The 10% over 80% LTV will likely have some form of primary mortgage insurance.

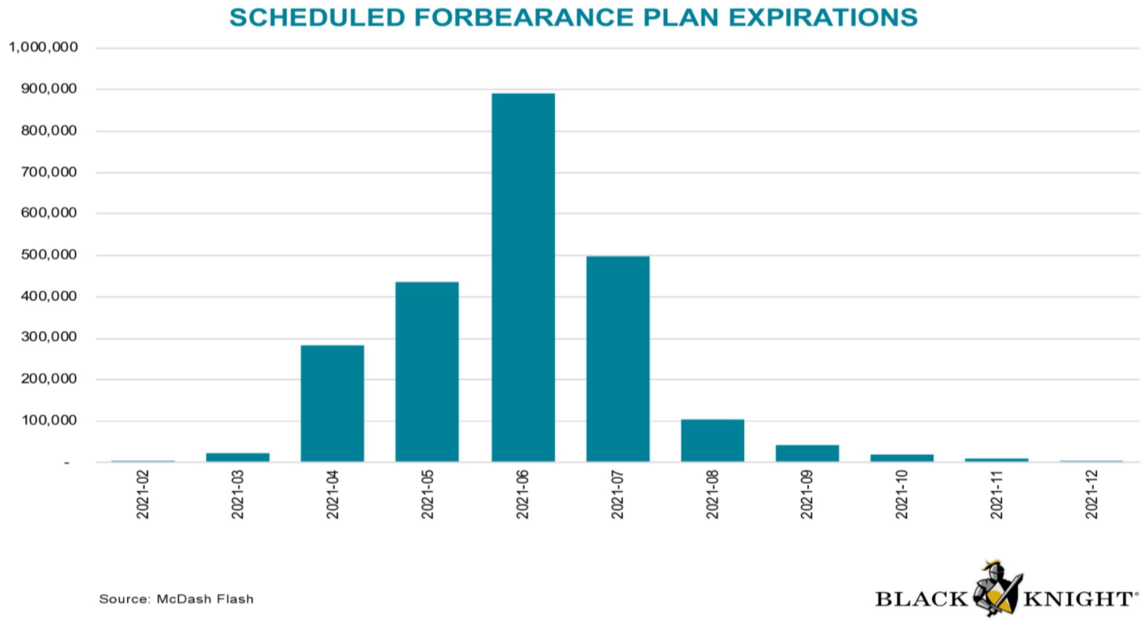
Source: http://www.freddiemac.com/investors/financials/pdf/10q_1q21.pdf.

What We Have Seen/Heard

FEB



MAR



- Servicers have estimated that 50-60% of loans nearing the 12-month forbearance window will extend by 3 months
- BlackKnight’s Mortgage monitor shows how this extension has manifested from February to March

Sources: https://www.blackknightinc.com/black-knights-february-2021-mortgage-monitor/ and https://cdn.blackknightinc.com/wp-content/uploads/2021/04/BKI_MM_Mar2021_Report.pdf.

04

What We Don’t Know

- Flex modifications have been relatively few so far. Could we anticipate the longer stage FBs require more payment relief as they exit FB?
  - If so, could this indicate an increase in Flex over the coming several quarters?
- Has ‘kicking the can down the road’ with policy to extend FB and FCL and eviction moratorium helped blunt ultimate default?
- What will the ultimate loan universe look like that exits FB where borrowers do not have the willingness/ability to pay?
- Will we have a natural disaster (hurricane/earthquake) strike in the coming months that augments the existing risk?
  - Are the borrowers still on FB after 15+ months likely to be the most financially stressed?

04

What We Don’t Know

- Will the FCL moratorium get extended? How will the FCL moratorium be lifted? In stages, or all at once?
  - What risks exist with:
    - FCL attorneys’ capacity?
      - Some have already gone out of business.
    - Servicer capacity?
    - Court capacity (judicial states)?
- Could additional stimulus payments combined with vaccine distribution and rapidly increasing house prices:
  - Enable states to re-open?
  - Get folks back to work?
    - Will all the unemployed get their jobs back?
    - Will they return to work if unemployment benefits are better?
    - Will they feel safe returning to work?
  - Allow borrowers to exit their property (perhaps with equity) vs. go to FCL – in effect muting potential default?
- Looking into my crystal ball….

End Notes

1. Consists of both home retention actions and foreclosure alternatives

2. Information related to single-family loans in forbearance is based on information reported by servicers. Beginning in 4Q 2020, Freddie Mac required single-family servicers to report all alternatives to foreclosure to the company, which include forbearance plans on all mortgages, including those where the borrower has continued to make payments in accordance with the loan's original contractual terms and remains in current status. The forbearance data the company reported in prior periods was generally limited to loans in forbearance that were past due based on the loan's original contractual terms. For the purpose of reporting delinquency rates, the company reports single-family loans in forbearance as delinquent during the forbearance period to the extent that payments are past due based on the loan's original contractual terms, irrespective of the forbearance agreement.

Freddie Mac Single-Family

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Clarity Data Intelligence[SM]
CRT Performance

Charlotte Gladwin

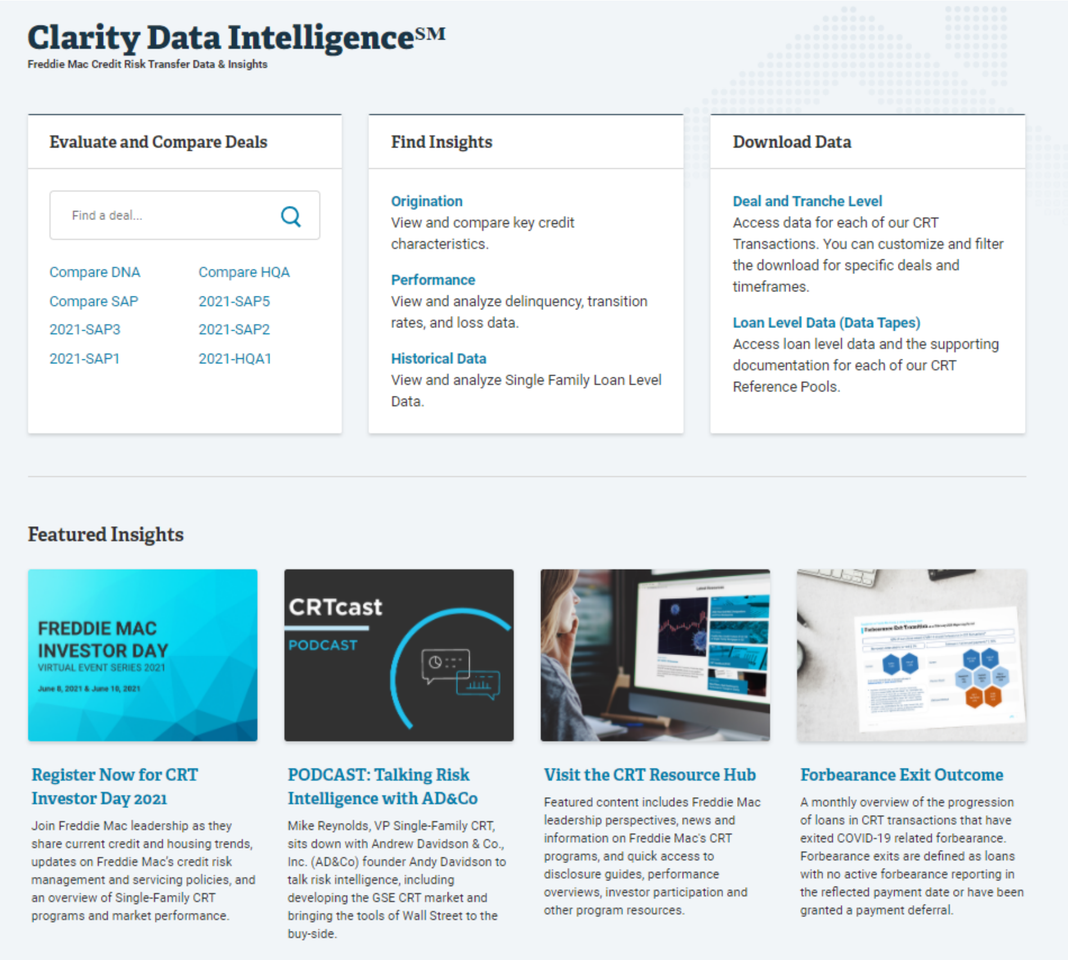
Director, Single-Family Credit Risk Transfer

Thursday | June 10 | 2021

Transparency in Data Disclosure

Major Enhancements

- **Clarity 2.0 launched in April** with enhanced deal comparison, CRT content integration, and optimized user experience.
- **Freddie Mac's Single-Family Loan Level Dataset (SFLLD**) introduced new data elements and published an additional non-standard dataset in 2021.



Clarity 2.0 – Deal Compare

Deal Overview & Compare

2021-DNA1 | 2020-DNA1 | 2019-DNA1 | CLEAR

View Options (7)

Origination

Deal	Issuance UPB	Current UPB	Factor %	Loan Count	Rate	OLTV	CLTV	ELTV	FICO	DTI	Inv %	Cash-out %	DTI > 45 %	FICO < 680 %	Risk Layer	Home Poss %	ACE %	Frb %
2021-DNA1	$58,041M	$53,154M	91.6	181,520	3.28	74	74	67	761	33	3.8	18.0	10.1	3.2	0.4	0.8	48.0	0.1
2020-DNA1	$29,641M	$11,856M	40.0	56,408	4.60	76	76	63	746	36	12.1	24.9	16.8	9.0	0.6	3.4	7.7	6.0
2019-DNA1	$24,607M	$8,443M	34.3	45,497	4.76	76	76	59	741	37	15.1	27.2	19.8	12.0	0.7	3.6	2.8	7.5

Origination >

DTI & FICO

2021-DNA1

	600-639	640-679	680-719	720-759	760-799	800+	Unknown
0-20	0.01	0.11	0.63	1.92	5.71	2.77	0.00
21-25	0.03	0.19	1.01	2.65	6.19	2.54	0.00
26-30	0.06	0.34	1.60	3.74	7.20	2.58	0.00
31-35	0.08	0.51	2.15	4.38	7.16	2.32	0.00
36-40	0.09	0.65	2.56	4.63	6.65	2.05	0.00
41-43	0.06	0.46	1.80	3.06	3.74	1.09	0.00
44-45	0.06	0.50	1.44	2.17	2.30	0.66	0.00
46-50	0.01	0.07	1.21	3.12	4.47	1.25	0.00
Unknown	0.00	0.00	0.00	0.00	0.00	0.00	0.00

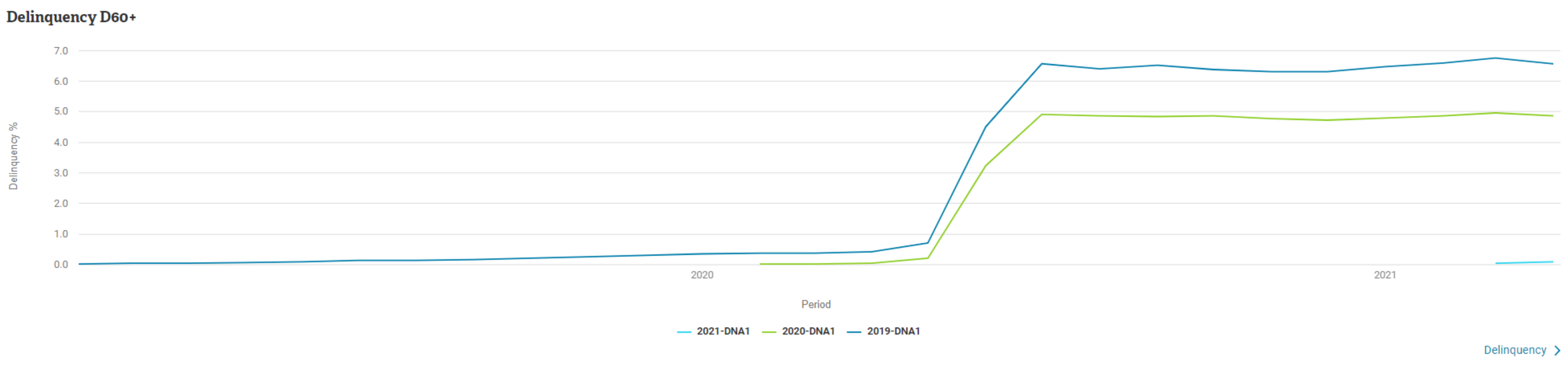
2020-DNA1

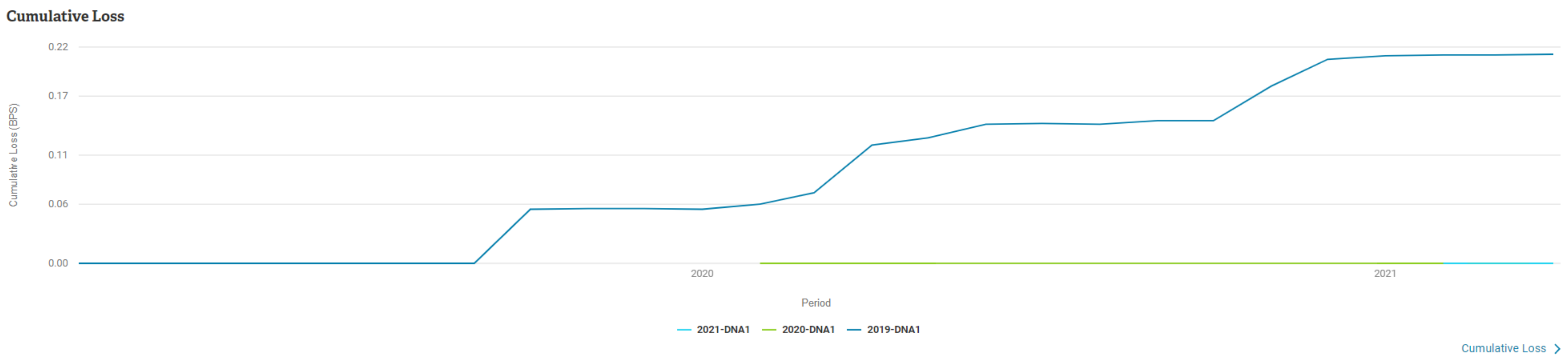
	600-639	640-679	680-719	720-759	760-799	800+	Unknown
0-20	0.04	0.25	0.79	1.47	3.15	1.15	0.02
21-25	0.11	0.37	1.23	2.00	3.50	1.16	0.02
26-30	0.18	0.68	1.87	3.12	4.50	1.58	0.01
31-35	0.22	1.09	2.84	4.02	5.10	1.54	0.02
36-40	0.43	1.49	3.78	4.76	5.48	1.76	0.02
41-43	0.26	1.20	3.07	3.84	3.64	0.97	0.00
44-45	0.26	1.35	2.49	2.94	2.67	0.73	0.00
46-50	0.15	0.94	3.02	5.18	5.91	1.64	0.00
Unknown	0.00	0.00	0.00	0.00	0.00	0.01	0.00

2019-DNA1

	600-639	640-679	680-719	720-759	760-799	800+	Unknown
0-20	0.08	0.32	0.82	1.39	2.52	1.14	0.00
21-25	0.13	0.53	1.07	1.80	2.88	1.10	0.01
26-30	0.27	0.93	1.83	2.73	3.81	1.39	0.01
31-35	0.37	1.49	2.67	3.70	4.54	1.41	0.01
36-40	0.48	1.82	3.81	4.65	5.32	1.65	0.00
41-43	0.43	1.52	3.07	3.39	3.31	1.02	0.00
44-45	0.29	1.33	2.90	3.07	2.52	0.73	0.00
46-50	0.30	1.69	4.41	6.13	5.77	1.44	0.00
Unknown	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Clarity 2.0 – Deal Compare





Clarity 2.0 – Deal Compare

Tests

	Cumulative Net Loss	Minimum Credit Enhance	Delinquency
2021-DNA1	PASS	FAIL	PASS
2020-DNA1	PASS	PASS	FAIL
2019-DNA1	PASS	PASS	FAIL

Tests >

Tranches Issuance

2021-DNA1

Tranche	Original Balance	Attach	Detach
M1	$208.0M	2.00	2.50
M2	$310.0M	1.25	2.00
B1	$208.0M	0.75	1.25
B2	$244.0M	0.25	0.75

2020-DNA1

Tranche	Original Balance	Attach	Detach
M1	$212.0M	2.75	3.75
M2	$350.0M	1.10	2.75
B1	$106.0M	0.60	1.10
B2	$126.0M	0.10	0.60

2019-DNA1

Tranche	Original Balance	Attach	Detach
M1	$215.0M	3.00	4.25
M2	$327.0M	1.10	3.00
B1	$86.0M	0.60	1.10
B2	$86.0M	0.10	0.60

Tranche Level Data Download >

Tranches Current

2021-DNA1

Tranche	Original Balance	TBD1	TBD2	Attach	Detach
M1	$208.0M			2.18	2.50
M2	$310.0M			1.36	2.00
B1	$208.0M			0.82	1.25
B2	$244.0M			0.27	0.75

2020-DNA1

Tranche	Original Balance	TBD1	TBD2	Attach	Detach
M1	$212.0M			0.00	3.75
M2	$350.0M			2.75	2.75
B1	$106.0M			1.50	1.10
B2	$126.0M			0.25	0.60

2019-DNA1

Tranche	Original Balance	TBD1	TBD2	Attach	Detach
M1	$215.0M			0.00	4.25
M2	$327.0M			3.20	3.00
B1	$86.0M			1.74	1.10
B2	$86.0M			0.29	0.60

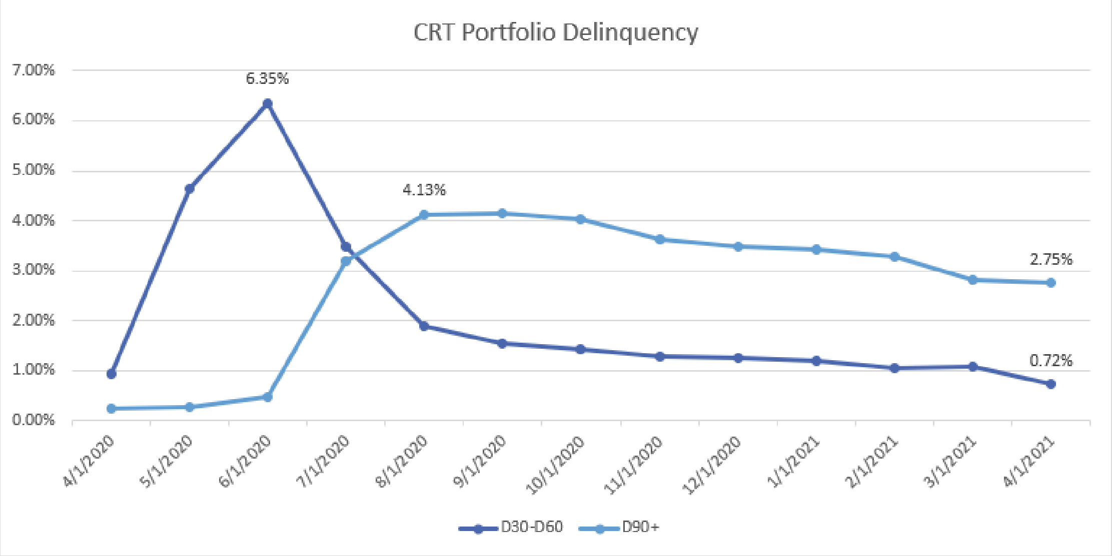
Clarity 2.0 – Proxy Cohort Compare

Clarity 2.0 – CRT Portfolio Performance

Delinquency Matrix

FILTERS + | Loss Type Actual Loss | CLEAR ALL

Values: % UPB Row | Rows: Deal Name | As Of: Apr 2021



	Current Loan Status											
Deal Name	Current	D30	D60	D90	D120	D150	D180+	Modified	REO Acq	Total Current	Total Delinquent	Total
Total	96.52%	0.50%	0.22%	0.19%	0.17%	0.16%	2.22%	0.02%	0.00%	96.53%	3.47%	100.00%
All DNA	96.93%	0.46%	0.19%	0.17%	0.15%	0.13%	1.96%	0.01%	0.00%	96.94%	3.06%	100.00%
All HQA	95.88%	0.58%	0.28%	0.25%	0.23%	0.21%	2.53%	0.02%	0.01%	95.91%	4.09%	100.00%
All HRP	94.24%	0.83%	0.33%	0.28%	0.24%	0.21%	3.82%	0.03%	0.02%	94.27%	5.73%	100.00%
All SAP	98.87%	0.34%	0.11%	0.08%	0.05%	0.05%	0.50%	0.00%	0.00%	98.87%	1.13%	100.00%

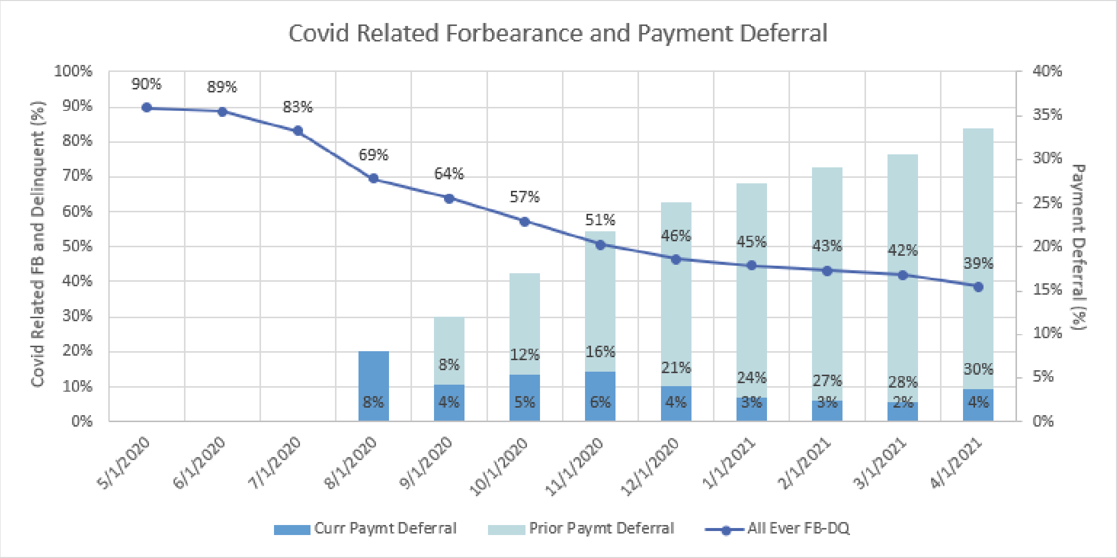
Charts on this slide include actual loss deals only.

Clarity 2.0 – Forbearance & Payment Deferral

Delinquency Matrix

FILTERS + | Deal Name (40) | Deal Type Low LTV, HARP, High LTV | Ever Forbearance Ever Frb - Since May 2020

Values: % UPB Table | Rows: Payment Deferral | As Of: Apr 2021



	Current Loan Status											
Payment Deferral	Current	D30	D60	D90	D120	D150	D180+	Modified	REO Acq	Total Current	Total Delinquent	Total
Total	**57.18%**	**2.59%**	**2.14%**	**2.17%**	**2.04%**	**1.93%**	**31.74%**	**0.21%**	**0.00%**	**57.39%**	**42.61%**	**100.00%**
Current Period	3.61%	0.06%	0.04%	0.01%	0.01%	0.02%	0.02%	0.00%	0.00%	3.61%	0.16%	3.76%
Prior Period	26.80%	0.77%	0.48%	0.39%	0.39%	0.30%	0.61%	0.00%	0.00%	26.80%	2.93%	29.74%
None	26.77%	1.76%	1.62%	1.77%	1.64%	1.62%	31.11%	0.21%	0.00%	26.98%	39.52%	66.50%

**** Charts on this slide include actual loss deals issued prior to COVID-19.***

Clarity 2.0 – Few New Early Delinquencies

Transition Matrix

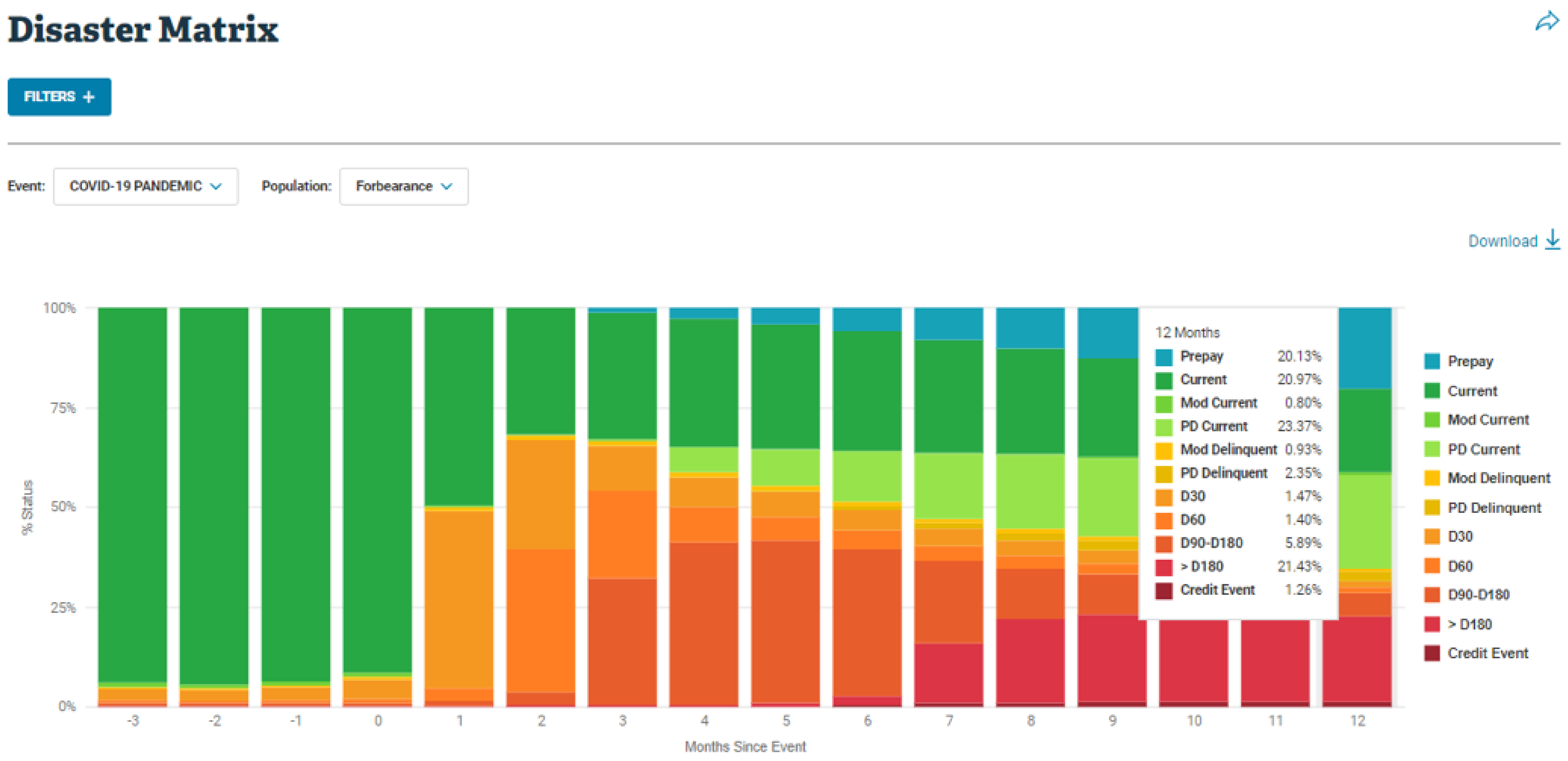
FILTERS +

Values: % Prior UPB | Prior Period: 1 month | As Of: Apr 2021

Download

	Current Loan Status							Pipeline		Pool Removal			
Prior Loan Status	Current	D30	D60	D90	D120	D150	D180+	Modified	REO Acq	Credit Event	Defect	Prepaid	Total
Current	94.70%	0.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.01%	5.02%	100.00%
D30	56.76%	21.64%	17.37%	0.03%	0.01%	0.01%	0.05%	0.00%		0.00%	0.02%	4.10%	100.00%
D60	21.18%	8.68%	19.47%	48.41%	0.07%	0.03%	0.07%	0.08%		0.01%		2.01%	100.00%
D90	12.92%	2.30%	4.73%	17.18%	60.65%	0.05%	0.08%	0.06%	0.00%			2.03%	100.00%
D120	9.81%	0.88%	1.23%	3.41%	12.97%	69.28%	0.19%	0.32%				1.91%	100.00%
D150	11.51%	0.53%	0.66%	1.10%	2.28%	11.07%	69.11%	0.66%		1.00%		2.08%	100.00%
D180+	8.84%	0.17%	0.14%	0.09%	0.12%	0.25%	88.34%	0.51%	0.01%	0.03%	0.00%	1.49%	100.00%
Mod	92.72%	3.78%	0.59%	0.83%	0.08%	0.23%	0.63%					1.14%	100.00%

Clarity 2.0 – COVID-19 Forbearance Transition



Panel Discussion: CRT Market Updates

MIKE REYNOLDS

VICE PRESIDENT
SINGLE-FAMILY CRT
FREDDIE MAC

SEAMUS FEARON

EXECUTIVE VICE PRESIDENT
ARCH CAPITAL GROUP LTD.

CHRIS FLANAGAN

MANAGING DIRECTOR
BANK OF AMERICA MERRILL LYNCH

BRIAN SULLIVAN

VICE PRESIDENT
NOMURA

MEET THE SPEAKERS

Opening Remarks

MIKE REYNOLDS

Vice President, Single-Family Credit Risk Transfer

Mike Reynolds is the vice president of Freddie Mac's Single-Family Credit Risk Transfer (CRT) program. CRT comprises capital markets, reinsurance, and mortgage insurance, including the Structured Agency Credit Risk (STACR®) and Agency Credit Insurance Structure (ACIS®) family of credit securities – multi-billion dollar programs that transfer mortgage credit risk to private investors.

Mr. Reynolds has over 20 years of GSE experience and joined Freddie Mac in 2012 to help launch the Single-Family CRT program. Prior to Freddie Mac, he was vice president of strategic initiatives at Fannie Mae. Earlier in his career, he worked on automated underwriting.

Welcome

DONNA CORLEY

Executive Vice President, Single-Family Business

Donna Corley is executive vice president and head of the Freddie Mac Single-Family business, the organization’s largest division. She leads high-performing teams with responsibilities that include managing the company's relationships with its Seller/Servicers, the performance of Freddie Mac's $2.4 trillion portfolio of mortgages, and all sourcing, servicing, risk management, operations and technology functions that support the business. She is a member of Freddie Mac’s senior operating committee.

An over 25-year Freddie Mac veteran, Ms. Corley is driven by the organization’s mission to provide liquidity, stability and affordability to the U.S. housing market. In her previous Freddie Mac role, Ms. Corley was the Single-Family chief risk officer, where she led the team through a culture transformation as they implemented world-class risk management practices. Prior to that, she headed up Freddie Mac’s credit pricing, risk transfer and securitization teams and held various portfolio manager positions within the investment and capital markets areas.

Servicing Policy Updates

BILL MAGUIRE

Vice President, Single-Family Servicing Portfolio Management

William J. Maguire (Bill) is vice president of Servicing Portfolio Management in the Freddie Mac Single-Family business, which includes overseeing the performance of Freddie Mac's $1.8 T servicing portfolio. He is responsible for Freddie Mac's relationships with Servicers, including managing their performance as well as creating and implementing programs, initiatives, policies, and capital market-based transactions to reduce credit losses and loan severities.

Prior to Freddie Mac, Mr. Maguire was the principle of a mortgage servicing consulting firm. He also had a distinguished 22-year career at GMAC Mortgage Corp, serving in multiple leadership positions within its servicing organization, including senior vice president of Investor Relations, Investor Reporting, Default Management and president of Executive Trustee Services.

Servicing Operations and REO Overview

ERIC WILL

Senior Director, Single-Family REO Operations

Eric Will is the senior director of REO Operations within the Single-Family Operations division. Externally in the real estate community, Freddie Mac's REO department is commonly known as HomeSteps®. Mr. Will is responsible for managing the operational, strategic and oversight activities related to valuation, preservation and maintenance, eviction, title, sales, and closing of Freddie Mac's REO inventory nationwide.

During his 27-year career at Freddie Mac, he has held various positions in the Technology, National Lending and Default Servicing divisions of the organization.

Portfolio Management and Analytics

SACHA ROSENTHAL

Vice President, Single-Family Servicing Portfolio Analytics

Sacha Rosenthal leads the Servicing Portfolio Analytics department for the Single-Family Portfolio Management division. He is accountable for developing strategies and analytics related to portfolio management, loss mitigation, distressed collateral liquidation, natural disasters and climate change, servicing policy, non-performing loan and re-performing loan transaction support as well as analytics to support Servicer relationship management. He is also responsible for servicing data, business intelligence applications and the Servicer Performance Profile.

Since 2001, Mr. Rosenthal’s Freddie Mac experience has encompassed several roles spanning both the Investment and Capital Markets division and Single-Family division, including structured transactions, servicing capital markets, relationship management and portfolio management.

Clarity Data Intelligence and CRT Performance

CHARLOTTE GLADWIN

Director, Single-Family Credit Risk Transfer

Charlotte Gladwin is a director of Credit Risk Transfer (CRT) in Freddie Mac's Single-Family division. A champion for and curator of data transparency, she also has been an integral contributor to evolving Freddie Mac's flagship STACR® (Structured Agency Credit Risk) program through its eight-year history. Ms. Gladwin manages disclosures for CRT transactions and historical data. Her team also owns Clarity Data Intelligence℠ – Freddie Mac's Single-Family data intelligence portal.

An industry veteran with over 15 years of experience in capital markets, Ms. Gladwin began her career at Freddie Mac as a senior operations analyst before becoming a senior vice president of brokerage operations at FBR Capital Markets. She returned to Freddie Mac in her current position in 2013.

CRT Market Updates

SEAMUS FEARON

Executive Vice President, Arch Capital Group Ltd.

Seamus Fearon is Executive Vice President, Credit Risk Transfer & Services, Global Mortgage. In this role, Seamus has responsibility for managing Arch's Credit Risk Transfer (CRT) business and for growing its Credit Risk Services offerings. Seamus most recently held the role of Chief Actuary of Arch's Global Mortgage Group, where he oversaw the development of its capital management and analytics framework.

CRT Market Updates

CHRIS FLANAGAN

Managing Director, Bank of America Merrill Lynch

Chris Flanagan is a Managing Director, Fixed Income Strategist, and Head of US Mortgage and Structured Finance Research at BofA Securities. He started his career on Wall Street in 1986 at Merrill Lynch as a mortgage analyst and switched to JP Morgan Chase from 2000-2010, before returning to BofA Merrill Lynch in 2010. He has perennially ranked on the Institutional Investor All-American Fixed Income Research team.

CRT Market Updates

BRIAN SULLIVAN

Vice President, Nomura

Brian is an Executive Director on the RMBS Trading Desk at Nomura, responsible for trading Single Family & Multifamily Credit Risk Transfer and Single Family Rental sectors. Mr. Sullivan began his career at Nomura in on the CMBS Credit Trading Desk, and has also been responsible for trading GN Project Loan/Structuring, Consumer and Esoteric ABS, and Flow/Credit CMBS trading roles at Nomura.