



Now that we are a month into the broad availability of Freddie Mac's exchange offer for Gold PCs and Giant PCs, we're sharing an update on exchange activity so far. As of June 19, Freddie Mac has successfully settled more than \$117 Billion in UPB. Forty dealers have been approved to execute exchanges via the Dealer Direct™ path, while more than a third of Tradeweb's customers are set up to do exchanges via the Direct-to-Freddie Mac path. To date, we've completed exchanges with 52 separate counterparties across both paths, though we have yet to approach our daily settlement limits.

If you haven't completed the customer set-up process – either as a dealer or through Tradeweb – we encourage you to do so now. For the dealer path, please send an email to single_security@freddiemac.com. For exchanges through the Tradeweb path, please review this quick guide: [Tradeweb Customer Set-up](#), and send an email to umbs@tradeweb.com.

Once you are ready to exchange, here are some reminders to ensure successful exchange transactions.

Collateral Delivery Cut-off: On settlement day, Freddie Mac must receive all collateral booked for exchange by 12 noon Eastern time. A small number of exchanges have failed because the collateral booked for the exchange was not in the dealer's or investor's possession in time to deliver it to Freddie Mac. After 12 noon, Freddie Mac will settle exchanges on a best efforts basis up until 1 p.m.; however, settlements after 12 noon cannot be guaranteed. Collateral delivered after 1 p.m. will be automatically DK'd.

Delivery Account: All 45-day collateral for exchanges should be delivered to the Freddie Mac 2BD7 holding account at the Federal Reserve.

Exchange ID Format: For the Direct-to-Freddie Mac path Exchange ID formatting, Tradeweb will update their system to support use of the Exchange ID in its full 12-digit format (UMBS plus leading zeros plus ID number). The new exchange ID format will align with the ISITC Universal Exchange Reference Identifier requirements and will always be 12 alphanumeric characters. The update is available to test now and will be placed into production on July 8. Investors who have coded for the current format (without "UMBS" and leading zeros) – and don't want to absorb this update – will need to opt out by contacting Tradeweb at umbs@tradeweb.com.

P&I Payment Timing: Security Principal and Interest (P&I) payments for 45-day Gold PCs are made to the holder of record as of close of business on the last day of the prior month. If that PC or Giant PC is then exchanged, the P&I payment for the corresponding UMBS or Supers will be made on the 25th of the month following settlement to the holder of record as of the last day of the exchange settlement month. If the payment dates fall on a holiday or weekend, the P&I payment will be made the following business day.

Settlement Instructions: Investors and dealers should check in with their custodians about any securities or cash wire formatting that is specific to their own or custodians' systems/processes. Some custodians have noted a mismatch between what they are sending and the settlement instructions their clients may have entered in Tradeweb or Dealer Direct. It is very important that the two sets of information match **exactly**, since exchanges are dependent on Freddie Mac's auto-match feature.

Finally, please consider portfolio consolidation and ease of trading with Giants and Supers. Beginning with June settlements for Single Class Resecuritizations (SCRs) the following fee schedule will be in effect for Freddie Mac fixed-rate 45-day Giant PCs, 55-day non TBA Giant MBS, Supers and Commingled Supers:

Transaction Size	Fixed-Rate Deal Fee
<\$250MM	\$2,500 per Giant or Supers
>=\$250MM	Free

Giants or Supers must contain at least two pools and must be a minimum of \$1 million or larger. Please contact giants@freddiemac.com for information about these transactions.

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