

**LONG FORM  
BIDDER QUALIFICATION STATEMENT  
TO BID FOR NPLs**

The Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) is offering, through a competitive auction, a portfolio of seasoned residential first lien mortgage loans pursuant to a Freddie Mac Standard Pool Offering (**SPO**<sup>®</sup>) or Extended Timeline Pool Offering (**EXPO**<sup>®</sup>) of non-performing loans (together, an “**NPL Offering**,” and the loans offered via an NPL Offering, “**NPLs**”).

Before it can register for, or make an offer to bid for the NPLs, the undersigned prospective bidder (the “**Bidder**”) (whether an individual or an entity) must meet the requirements described below as evidenced by execution of this Long Form Bidder Qualification Statement (the “**Bidder Qualification Statement**”).

The information requested herein is for the purpose of providing Freddie Mac with information needed to determine whether the Bidder meets the qualification requirements of Freddie Mac to bid on the NPLs. **All potential bidders must complete a Bidder Qualification Statement.**

The Bidder understands that all information submitted is for the use of Freddie Mac, its employees, counsel and agents. The Bidder further understands that a background check may be conducted on: (i) any person or entity that has a 10% or greater ownership interest in the Bidder; (ii) any Capital Provider (as defined herein) of the Bidder and any person or entity that has a 10% or greater ownership interest in a Capital Provider; and (iii) any person or entity providing a commitment letter on behalf of the Bidder as described in Section 2 below. The Bidder understands Freddie Mac will not provide the results of such background check or documentation to the Bidder and waives the right, if any, to review such results or documentation.

This Bidder Qualification Statement is not a binding contract of sale. Providing the requested information is voluntary; however, failure to furnish all of the requested information may result in the prospective bidder not being permitted to move forward in the process to bid for the NPLs.

*The proposed sale of the NPLs is not intended to constitute the sale of a “security” within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), or any applicable federal or state securities law. No inference that the NPLs are “securities” under such federal or state securities laws shall be drawn from any of the certifications, representations or warranties made by the Bidder in this Bidder Qualification Statement for purposes of qualifying the Bidder as a qualified bidder for the NPLs. It is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the Blue Sky or securities laws of any jurisdiction.*

**Section 1. General Information Regarding the Bidder**

A. Complete legal name: \_\_\_\_\_

B. Tax Identification Number: \_\_\_\_\_

C. Street address of executive offices (no PO Boxes): \_\_\_\_\_

D. Corporate or other entity type and jurisdiction of organization (if applicable): \_\_\_\_\_

E. Please describe the Bidder’s primary business line (e.g., commercial bank, mortgage servicer, bank, financial services company, etc.): \_\_\_\_\_

F. Is the Bidder publicly traded? **YES** **NO**

G. Is the Bidder a regulated company? **YES** **NO**

H. Is the Bidder, or is the Bidder organized by an entity, certified as a Minority, Woman, Disabled, LGBT, Veteran or Service-Disabled Veteran-Owned Business (“**MWDOB**”)? **YES** **NO**

I. Is the Bidder, or is the Bidder organized by, a non-profit and/or neighborhood advocacy organization? **YES** **NO**

J. Is the Bidder a for-profit entity that intends to use a non-profit and/or neighborhood advocacy organization as part of its servicing strategy (i.e., borrower outreach, joint venture with a non-profit or other) for this transaction? **YES** **NO**

K. Attached hereto as Exhibit A is a list of the names and current home addresses of all entities and individuals owning 10% or more of the Bidder (which list Freddie Mac may use to conduct background checks).

L. Servicer Name: \_\_\_\_\_

- M. The Bidder must provide the following documents with this submission:
- Formation documents certified by the jurisdiction of formation (e.g., articles of incorporation; certificates of formation or certificate of trust), and
  - a completed form W-8 or W-9

N. Will the Bidder rely on another person or unrelated entity (a “**Capital Provider**”) to provide funds for the deposit and/or purchase price of the NPLs (other than a Financing Partner (defined below)) for the transaction? **YES** **NO**

- If “**YES**,” the Bidder must complete Exhibit B listing the names and current addresses of all Capital Providers and all entities and individuals owning 10% or more of the Capital Providers (which list Freddie Mac may use to conduct background checks).

O. Will the Bidder rely on another person or entity (a “**Financing Partner**”) to provide financing for the transaction? **YES** **NO**

• If “**YES**”:

i. Will the Bidder’s bid be contingent on this financing? **YES** **NO**

ii. Does the Bidder have an arrangement already in place with its Financing Partner that will allow the Bidder to readily access the financed funds for settlement of this transaction? **YES** **NO**

P. Is the Bidder registering to qualify to bid on an EXPO only? **YES** **NO**

Q. Document Custodian (if known): \_\_\_\_\_

R. Due Diligence Provider (if applicable): \_\_\_\_\_

**Section 2. Proof of Funds**

The Bidder must provide evidence that it has available funds sufficient to cover the deposit which will be in an amount equal to at least 10% of the principal balance of the pool(s) to be bid.

Such evidence may include bank statements or current financials of: (i) the Bidder, (ii) any Capital Provider with a signed commitment letter or (iii) any “Related Entity” (defined below) of the Bidder, with a signed commitment letter. Proof of funds that do not demonstrate the Bidder’s timely, unqualified (other than a condition of being awarded the NPLs) access to cash or cash equivalents (i.e., short-term Treasuries) will not be considered available funds.

For purposes of this Bidder Qualification Statement, each of the following entities is a “**Related Entity**” of the Bidder: (i) the Bidder’s direct parent; (ii) the Bidder’s subsidiaries; (iii) any other entity which shares a common officer or director with the Bidder and has authority or control over the bid in connection with the offering of the NPLs; or (iv) an entity which owns a 10% or greater interest in the Bidder, provided that this definition is not intended to include public shareholders or Capital Providers of the Bidder.

**Section 3. Servicer Eligibility**

For pre-qualification, the Bidder must complete Exhibit C (“**Servicer Questionnaire**”) for the servicer it will use to service the NPLs. If uncertain at this time which servicer the Bidder will use, the Bidder must complete the Servicer Questionnaire for all servicers being considered, up to three potential servicers. The Bidder acknowledges that Freddie Mac is relying on the truthfulness and correctness of the Servicer Questionnaire in order for Freddie Mac to review and approve their requested servicers. If it is discovered that the information provided is not true and correct in all material respects as of the date hereof, then Freddie Mac reserves the right to review and reject any previously approved servicer and require the Bidder to present an alternative servicer for Freddie Mac’s consideration should such previously approved servicer be the Bidder’s only approved servicer. Freddie Mac reserves the right to perform an on-site assessment of the servicer to determine the accuracy of the information provided by the servicer in the Servicer Questionnaire, if the Bidder is given notice of such on-site servicer review before the applicable bid due date.

**Section 4. Contact Persons at the Bidder**

A. Person to contact regarding the bid:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

B. Person to contact regarding the transaction documents:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

C. Person to contact regarding on-going obligations of the transaction, such as reporting:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

D. Person to contact regarding the servicer:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**Section 5. Bidder Qualification.**

A. The Bidder understands that, if determined to be a qualified bidder pursuant to this Bidder Qualification Statement, its status as such does not necessarily mean that it will be a qualified bidder for any other sale of NPLs or other assets offered by Freddie Mac. The Bidder also understands that its status as a qualified bidder for any other sale of NPLs or assets does not necessarily mean that it will be a qualified bidder pursuant to this Bidder Qualification Statement.

B. Only the named prospective bidder in this Bidder Qualification Statement, if qualified, will be allowed to bid for the sale of the NPLs, and if qualified, the Bidder must be the entity that purchases the NPLs.

C. Upon award as a successful bidder, the Bidder may form a special purpose entity to which it may assign ownership of the NPLs at settlement. However, the Bidder will remain the counterparty with Freddie Mac for purposes of signing the Binding Trade Confirmation and Mortgage Loan Purchase and Sale Agreement, the closing of the sale of the NPLs and thereafter.

D. The Bidder hereby certifies, represents and warrants that it satisfies one or more of the qualifying statements 1 through 4 below and must check one or more of the following qualifying statements in order to qualify as a qualified bidder for, and bid in, the sale of the NPLs. (**CHECK ALL THAT ARE APPROPRIATE**):

() 1. The Bidder is a corporation, partnership, limited liability company, or business trust with a net worth in excess of the Required Net Worth set forth below, determined in accordance with Generally Accepted Accounting Principles, consistently applied (“GAAP”), and was not formed for the specific purpose of acquiring an interest in the NPLs.

The “Required Net Worth” is:

- For a Bidder on an EXPO: \$5,000,000
- For Bidders on an SPO, and if bidding on both an SPO and an EXPO: \$10,000,000

() 2. The Bidder is a bank (as defined in Section 3(a)(2) of the Securities Act), savings and loan association or other institution (as defined in Section 3(a)(5)(A) of the Securities Act), insurance company (as defined in Section 2(a)(13) of the Securities Act), investment company registered under or business development company as defined in the Investment Company Act of 1940, as amended, or a broker or dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), in each case with a net worth in excess of the Required Net Worth determined in accordance with GAAP.

() 3. The Bidder is a trust, with a net worth in excess of the Required Net Worth determined in accordance with GAAP, not formed for the specific purpose of acquiring the applicable NPLs.

() 4. The Bidder is a business entity whose equity owners are entities or individuals that have, or will have by the closing of the purchase of the NPLs, committed funds to the Bidder which funds, in the aggregate, will allow the Bidder to have a net worth in excess of the Required Net Worth.

## **Section 6. Representations and Warranties of the Bidder.**

**By executing this Bidder Qualification Statement, the Bidder certifies, represents and warrants that EACH of the following statements is true and correct as to such Bidder and is made for the purpose of qualifying the Bidder as a qualified bidder for the NPLs.**

A. The Bidder is an entity that (A) either (i) is in the business of buying, originating or selling mortgage loans of the same type as the NPLs; or (ii) otherwise deals in mortgage loans identical or similar to the NPLs in the ordinary course of such Bidder’s business, and (B) holds (or, the entity to which it will assign the NPLs holds) such state licenses, permits, registrations, or approvals that may be necessary to purchase and hold the NPLs it is qualifying to bid for.

B. The officer(s) of the Bidder identified in the Bidder's incumbency certificate have a minimum of 5 years of experience managing residential mortgage assets.

C. The Bidder acknowledges, understands and is able to bear the economic risks associated with the acquisition and ownership of the NPLs, including, without limitation, the risk of a total loss of the Bidder's investment in the NPLs.

D. The Bidder acknowledges and agrees that information, including summary data, will be made available to assist the Bidder in evaluating the risks involved in acquiring the NPLs. Whether or not it chooses to review any information that is made available to it, the Bidder has the ability and shall be responsible for making its own independent investigation and evaluation of the NPLs and the economic, credit or other risks involved in an acquisition of the NPLs, including, without limitation, the restrictions on resale or other liquidation upon any of the NPLs.

E. The Bidder represents and warrants that none of it, its Related Entities or Capital Providers, if applicable, are any of the following:

- (a) an individual or entity that is currently debarred, suspended, or excluded from doing business with Freddie Mac;
- (b) an individual or entity that is currently suspended, debarred, or otherwise restricted by a department or agency of the federal government or of a state government;
- (c) an individual or entity that is currently debarred, suspended, or excluded from doing mortgage related business, including having a business license suspended, surrendered, or revoked by any federal, state or local government agency and no proceedings relating to any such actions have been commenced; or
- (d) an individual or entity that (i) is currently charged or (ii) has been convicted (within the past ten (10) years) by any federal, state or local government agency, regulatory organization or licensing agency of engaging in any professional conduct involving dishonesty, fraud or deceit.

F. The Bidder represents and warrants that it has full authority to deliver this Bidder Qualification Statement and that the individual executing this Bidder Qualification Statement has full authority to do so on behalf of the Bidder and all principals and Related Entities thereof, and, if applicable, all Capital Providers

G. Within the past ten (10) years, neither the Bidder, nor any entity that has a 10% or greater ownership interest in the Bidder, nor any person or entity controlling the Bidder, (i) has had entered against it an order for relief under the United States Bankruptcy Code, as amended, or under any other law relating to bankruptcy, insolvency or reorganization or relief of creditors, (ii) has failed to pay, or admitted in writing its inability to pay, its debts generally as they become due, (iii) has made a general assignment for the benefit of its creditors, (iv) has had appointed, or applied for, sought, consented to, or acquiesced in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its assets or properties, (v) has instituted any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or failed to file an answer or other pleading (within the time frame by which such answer or other pleading is due) denying the material allegations of any such proceeding filed against it, or (vi) has taken any corporate, partnership

or similar (as applicable) action to authorize any matter described in any of clauses (i) through (v) of this paragraph.

H. The Bidder acknowledges that it will inform Freddie Mac one week prior to submitting a bid if (i) the entities and individuals shown on Exhibit A as owning 10% or more of the Bidder, or (ii) the entities and individuals shown on Exhibit B as being the Capital Provider or owning 10% or more of the Capital Provider change in any respect.

I. The Bidder represents and warrants that to the best of its knowledge it has complied with all applicable legal and regulatory requirements with respect to its source of capital for this bid and purchase of the NPLs.

J. The Bidder represents that it is solely responsible for meeting the conditions of closing as outlined in the transaction documents, unless indicated otherwise in Sections 1(N) and 1(O) of this Bidder Qualification Statement.

K. The Bidder represents and warrants that it is not a direct or indirect holder or group (as defined in Sections 13(d) and 14(d) of the Exchange Act) of holders of 10% or more of any class of capital stock of Freddie Mac.

L. The Bidder represents and warrants that it has processes and controls in place to prevent money laundering and has not been the subject of any Bank Secrecy Act of 1970 or anti-money laundering enforcement action in the last five years.

M. The Bidder has such knowledge and experience in the origination, securitization, sale and/or purchase of performing and nonperforming or distressed mortgage loans, as well as knowledge and experience, by itself or with its advisers, in other financial and business matters, as to enable the Bidder to utilize the information made available in connection with the bid to evaluate the merits and risks of a prospective acquisition of the NPLs and to make an informed decision with respect thereto.

N. The Bidder acknowledges and agrees that (i) the proposed sale of the NPLs is not intended to constitute the sale of a “security” within the meaning of the Securities Act or any applicable federal or state securities laws, (ii) no inference that the NPLs are a “security” under such federal or state securities laws shall be drawn from any of the certifications, representations or warranties made by the Bidder in this Bidder Qualification Statement for purposes of qualifying the Bidder as a qualified bidder for the NPLs, and (iii) it is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the Blue Sky or securities laws of any jurisdiction.

O. The Bidder hereby represents that the above certifications and all information provided in or pursuant to this Bidder Qualification Statement are true and correct in all material respects as of the date hereof and will be true and correct in all material respects as of the time of purchase of the NPLs, and understands that Freddie Mac is relying upon the truthfulness and correctness of such statements.

#### **Section 7. Bidder Acknowledgements and Agreements.**

A. The Bidder acknowledges and agrees that if awarded the NPLs, the Bidder will cause the NPLs to be serviced (i) in accordance with applicable law and regulations, including regulations of the Consumer Finance Protection Bureau, by a servicer that has completed Section 3 of this form (including completion of Exhibit C); and (ii) in accordance with the **Mortgage Loan Purchase and Sale Agreement**, which the Bidder will execute with the Seller.

B. The Bidder acknowledges and agrees that Freddie Mac has the right to request additional or updated information at any time, including, without limitation, financial statements and/or confirmation of the representations, warranties and certifications made herein.

C. The Bidder authorizes, and has the authority to authorize, Freddie Mac and its agents to conduct credit and other investigations of the Bidder and any Related Entities and Capital Providers through appropriate third-party reporting agencies.

D. The Bidder acknowledges and agrees that Freddie Mac may, in its sole discretion, refuse to qualify any prospective bidder who, in Freddie Mac's sole judgment, does not have the requisite knowledge and experience to evaluate the merits and risks of purchasing and to make an informed decision with respect to the purchase of the NPLs.

E. The Bidder hereby certifies that to the best of the Bidder's knowledge all the information stated in, and provided pursuant to, this Bidder Qualification Statement is true, accurate, and complete. Submission of false information in connection with this Bidder Qualification Statement is grounds for rejecting your bid or invalidating the transaction documents.

F. The Bidder acknowledges that Freddie Mac may revoke the Bidder's bid, without the return of any deposit, and prevent the Bidder from participating in future transactions, if it is discovered that the Bidder has made any fraudulent or untrue statements in this Bidder Qualification Statement.

G. The Bidder acknowledges that Freddie Mac considers the information the Bidder provides on or pursuant to this Bidder Qualification Statement and at any point in time during the bidding process to be confidential information of Freddie Mac.



By: \_\_\_\_\_

Signature

Printed Name: \_\_\_\_\_

Name of Company: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

SAMPLE

**Exhibit A\***

[ ] No entity or individual owns 10% or more of the Bidder;

OR

Provide the following information for all entities and individuals owning 10% or more of the Bidder.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Current Home Address: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Current Home Address: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Current Home Address: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Current Home Address: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Current Home Address: \_\_\_\_\_

**\*DUTY TO UPDATE:** The Bidder must inform Freddie Mac one week prior to submitting a bid if any new entities or individuals gain ownership of 10% or more in the Bidder in order to allow Freddie Mac to review any such new entities or individuals.

**Exhibit B\***

[ ] The Bidder is not relying on any Capital Providers for this transaction;

OR

Provide the following information for each Capital Provider and all entities and individuals owning 10% or more of each Capital Provider in connection with the bid for and/or purchase of the NPLs. If there are multiple Capital Providers, then provide multiple versions of this Exhibit B.

**Capital Provider:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Current Address: \_\_\_\_\_

**Capital Provider's Owners:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Current Address: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Current Address: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Current Address: \_\_\_\_\_

**\*DUTY TO UPDATE:** The Bidder must inform Freddie Mac one week prior to submitting a bid if any new entities or individuals are to provide funds or financing or if the 10% or more owners of such entity change, in order to allow Freddie Mac to review any such new entities or individuals.

Exhibit C

[SERVICER QUESTIONNAIRE]

SAMPLE