Exchange Booking Guide
Dealer-Facilitated Path

Freddie Mac — We make home possible®

Steps

1 Prepare to Exchange
▶ Determine which CUSIP(s) investor would like to exchange, pool number, and par amount
▶ Format collateral information for input using the Float Comp Calculator

2 Select Settlement Date
▶ Dealer Direct booking is available 24/7
▶ Availability is based on FRE settlement capacity which reflects blackout dates
▶ Can select settlement dates for the current or following month

3 Confirm Float Compensation
▶ Confirm float compensation details and submit exchange

4 Review Exchange Confirmation
▶ Dealers receive booking confirmation including Exchange ID and float compensation via email
▶ Dealers share confirmation with investor clients, custodians and other vendors as applicable

Timeline

Note: all times ET

Booking Day

6th Business Day	8:30 a.m.	5:00 p.m.	EOM-2*
First day to settle an exchange for the month	Daily float compensation pricing grid posted	Booking cutoff for T+2 delivery	Last day to book an exchange for current month settlement

*T+1 settlement may be allowed after a transition period – exchanges must be booked by noon for next day settlement; last day would be EOM-1

In Case Of

⚠ **Modifications**
▶ Changes can be made to update the settlement date, remove exchanges from the transaction, or cancel the exchange completely

Reminders

▶ Communicate your instructions to your custodians via SWIFT messaging
▶ Dealers will receive one cash wire per successful exchange transaction on settlement day
▶ Investors should generally expect float compensation to be netted from 55-day buy price

Questions?

Email:
Exchange_Ops@FreddieMac.com

Call:
1-800-336-3672, option 1, then 2

Exchange website:
Freddiemac.com/mbs/exchange

Market Adoption Playbook

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Steps

1 Preparation
► Review processes on next page internally and with your custodian

2 Deliver 45-Day Security
► Deliver Free of Payment by 12 p.m. on settlement day

3 Take Delivery of 55-Day
► Expect 55-day security no later than 1:00 p.m.

4 Take Delivery of Float Comp
► Expect float compensation via separate wire no later than 6:00 p.m.

Timeline

Note: all times ET

Day before Settlement	Settlement Day			
12:00 p.m.	8:30 a.m.	**by 12:00 p.m.**	by 1:00 p.m.	by 6:00 p.m.
Exchanges confirmed for next-day settlement	Fedwire opens for 45-day PC delivery	Deliver 45-day securities	Take delivery of 55-day security	Take delivery of float comp payment
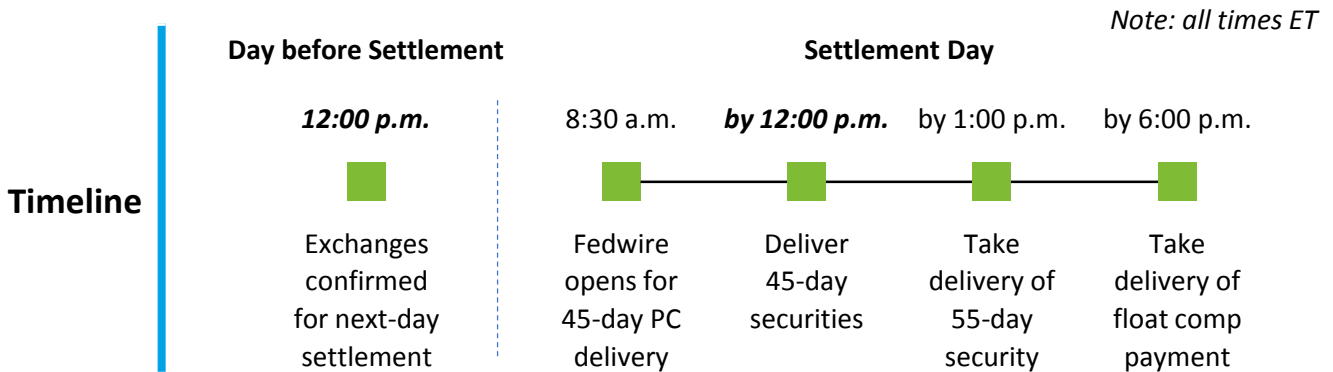
In Case Of

⚠️ **Late delivery**
► Any 45-day security delivered after 12 p.m. will settle on a best-efforts basis (no settlements after 1 p.m.)
► If a late exchange is DK'd, it will be auto-rebooked for the next available exchange day (minimum T+2)

⚠️ **Delivery mismatch**
► Delivery must exactly match booking (CUSIP, par, 3rd party)
► If a mismatch is not resolved by 1:00 p.m., 45-day security will be DK'd and the exchange will be auto-rebooked

⚠️ **OFAC exceptions**
► For any OFAC-related exceptions, Freddie Mac may call for more info from 1:15 to 5:00 p.m.

⚠️ **Float comp issue**
► Note that float comp is fixed at the time of booking
► View past grids: freddiemac.com/mbs/exchange/grids.html

⚠️ **Fails**
► For fails, expect 45-day to be DK'd back in early afternoon
► Trust receipts will be issued in exceptional circumstances

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Delivery Process

A — **Dealer**
► Instruct custodian to deliver 45-day security FREE to Freddie Mac

B — **Custodian**
► Custodian delivers 45-day security FREE via Fedwire to:
  – FHLMC WASH/2BD7
  – ABA# 021033205
► Freddie Mac will match on CUSIP, par, and 3rd party (you are not required to provide Exchange ID)

C — **Freddie Mac**
► Freddie Mac delivers 55-day security FREE via Fedwire from:
  – FHLMC WASH/2BD5
  – ABA# 021033205
► Cash wire includes UMBS + Exchange ID in Fed tags 3320 and 4320

Delivery Split Rules

To comply with Fedwire limits of $1,000 (minimum) and $50 million (maximum), observe the following rules for exchange delivery if par/original face > $50 million:

45-day PC $60M par → $50M → $50M + Float comp
                   → $10M → $10M
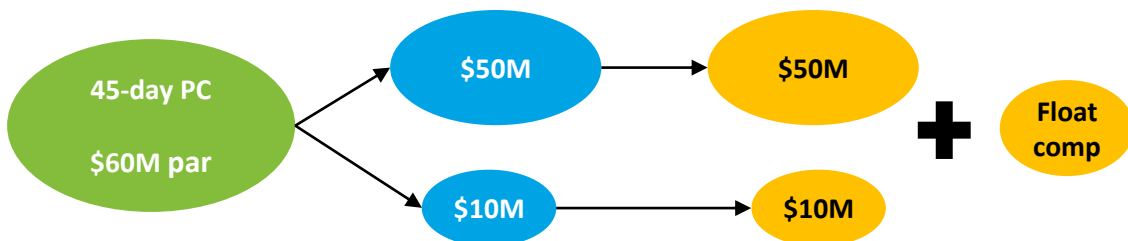
► Exceeds Fedwire $50M limit for par by more than $1K
► Single booking

► Must deliver as $50M wire + tail
► 1 exchange ID
► 2 security wires

► Dealer receives two 55-day security wires
► 1 float compensation wire

45-day PC $50,000,500 par → $49,999,500 → $49,999,500 + Float comp
                         → $1,000 → $1,000
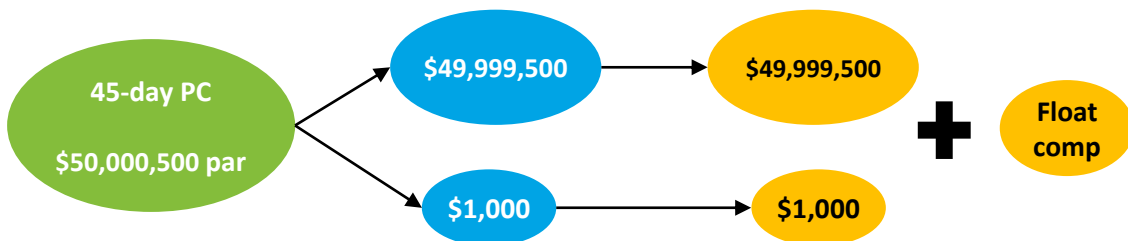
► Exceeds Fedwire $50M limit for par by less than $1K
► Single booking

► Min. tail size is $1K
► For delivery, reduce size of larger wire until tail equals $1K

► Dealer receives two 55-day security wires
► 1 float compensation wire

⚠ **If splits do not match the above process, Freddie Mac will DK the delivery.**