



Structured Agency Credit Risk HARP Dataset Historical Performance

November 2018

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Historical Loss Summary

Assumptions for Summary Severity/ Timelines /Loss Components



- To assist investors with their understanding of Freddie Mac’s historical Home Affordable Refinance Program (HARP) loan level data set, on the following slides we provide loss severity and liquidation timelines by origination year and judicial/non-judicial states
- Additionally, we have summarized the contributions from each of the components of net loss
 - » Net loss calculated as follows: Collateral Deficiency + Delinquent Interest + Expenses – MI Recoveries – Non MI Recoveries
- Data included in tables were derived from Freddie Mac’s historical HARP loan level data set as of October 2018 refresh: Originations 2009 - September 30, 2017. Performance data: 2009 - March 31, 2018, losses reported for loans liquidated as of 4Q2017.
- Assumptions/Calculations:
 - » Populations for this analysis = Fixed 30 loans (identified by loans with original loan term between 301 and 419 months)
 - » Loans with Repurchase flag = Y have been set to zero loss
 - » “FA” references liquidations through foreclosure alternatives
 - » “J” indicates judicial states; “NJ” indicates non-judicial states
 - » Timelines are in months weighted by default UPB
 - » If default UPB on last record is zero, the prior period default UPB was used
 - » Calculation for Collateral Deficiency: default UPB – net sales proceeds
 - » Calculation for Delinquent Interest is = default UPB * (current interest rate – 0.35%) * days delinquent / 360 /100)
 - » For Net Sales proceeds = “C”; set loss = zero
 - » For Net Sales proceeds = “U”; removed from population if applicable
 - » Severity is net loss/default UPB
 - » Judicial states: CT, DE, FL, HI, IA, IL, IN, KS, KY, LA, ME, ND, NE, NJ, NM, NY, OH, OK, OR, PA, PR, SC, SD, VI, WI

HARP

Historical Performance

Historical HARP Collateral



- Summary collateral characteristics for the different vintages are seen below

Origination Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Orig UPB (\$BN)	16.1	35.1	28.1	66.6	40.7	8.5	4.7	2.4	0.7
WA FICO	739	745	743	740	726	709	709	704	698
WA DTI (%)*	NA	NA	NA	NA	NA	NA	NA	NA	NA
WA OCLTV (%)	97	97	102	117	111	105	102	100	99
WA OLTV (%)	92	93	97	112	106	100	98	96	96
FICO Score Range									
0-600 (%)	2	2	2	3	4	6	6	6	6
600-679 (%)	12	9	11	13	19	26	27	28	31
680-719 (%)	19	17	17	16	20	21	21	23	25
720-759 (%)	25	24	23	22	22	19	18	18	17
760-779 (%)	16	16	16	15	13	10	10	9	8
780 and Greater (%)	26	32	31	31	23	19	19	17	13

* HARP loans were underwritten on a streamlined basis with no income verification

Loss Components by Disposition & Origination Year



Loss Components (Disposition)

Disposition Year	Loan Count	Default Upb	Net Loss	Severity	Collateral Loss	Expenses	MI Recoveries	Non-MI Recoveries	Delinquent Interest	Timeline
2009 - 2010	116	29,206,358	6,623,694	23%	99%	7%	-15%	-2%	11%	7
2011	805	188,443,540	52,708,743	28%	91%	9%	-11%	-2%	13%	10
2012	2,158	499,795,804	144,630,573	29%	90%	11%	-13%	-3%	14%	11
2013	2,953	637,636,098	186,533,929	29%	88%	15%	-16%	-3%	16%	12
2014	3,360	642,309,364	216,749,808	34%	79%	22%	-16%	-3%	19%	16
2015	3,802	696,338,865	251,919,412	36%	78%	22%	-15%	-3%	19%	18
2016	3,769	673,466,493	240,663,434	36%	74%	24%	-15%	-2%	20%	19
2017	3,623	632,547,093	149,840,383	24%	69%	31%	-17%	-3%	20%	16
Grand Total	20,586	3,999,743,616	1,249,669,976	31%	80%	21%	-15%	-3%	18%	15

Loss Component (Origination)

Origination Year	Loan Count	Default Upb	Net Loss	Severity	Collateral Loss	Expenses	MI Recoveries	Non-MI Recoveries	Delinquent Interest	Timeline
2009	3,546	753,706,853	253,197,051	34%	74%	20%	-10%	-2%	20%	17
2010	5,071	1,094,324,764	342,131,117	31%	75%	20%	-13%	-3%	20%	16
2011	3,079	604,780,998	182,924,157	30%	76%	23%	-16%	-3%	20%	16
2012	5,365	981,545,574	299,044,867	30%	88%	19%	-19%	-3%	15%	14
2013	2,848	463,932,881	142,881,735	31%	87%	22%	-20%	-3%	14%	14
2014	537	80,257,651	24,385,008	30%	86%	22%	-20%	-3%	15%	14
2015	125	18,698,921	4,542,232	24%	96%	22%	-24%	-7%	14%	12
2016	14	2,409,672	563,809	23%	80%	15%	0%	-2%	7%	9
2017	1	86,302								9
Grand Total	20,586	3,999,743,616	1,249,669,976	31%	80%	21%	-15%	-3%	18%	15

Notes: Performance data: 2009-1Q2018, losses reported for loans liquidated as of 4Q2017
 Cumulative Losses do not include modification losses

Severity Rates and Disposition Timelines



Severity Rates by Disposition and Origination Year

Disposition Year	Origination Year / St Type																								Grand Total			
	2009			2010			2011			2012			2013			2014			2015			2016						
	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total				
2009 - 2010	18	25	23	28	11	16																						23
2011	28	31	30	27	25	26	16	25	22																			28
2012	36	32	33	30	27	28	25	23	23	28	32	31																29
2013	35	28	31	36	27	30	28	25	26	30	28	29	22	21	21													29
2014	45	35	40	43	31	37	38	27	32	33	29	31	28	28	28	15	28	21										34
2015	50	34	43	43	31	38	43	33	38	40	30	33	38	32	34	32	29	30				52	52					36
2016	44	30	38	46	29	38	45	28	37	42	28	34	40	30	34	37	33	34	23	20	22							36
2017	22	17	20	26	13	20	30	17	25	26	21	23	31	22	26	34	22	28	28	24	25	31	10	23				24
Grand Total	38	30	34	37	27	31	36	26	30	35	28	30	35	28	31	34	27	30	26	23	24	31	10	23				31

Disposition Timelines (# months delinquent at disposition)

Disposition Year	Origination Year / St Type																								Grand Total					
	2009			2010			2011			2012			2013			2014			2015			2016				2017				
	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total		NJ	Total			
2009 - 2010	8	8	8	5	4	4																								7
2011	12	11	11	7	8	8	6	5	5																					10
2012	15	12	13	11	10	11	7	8	8	4	4	4																		11
2013	18	14	16	16	13	14	12	11	11	7	6	7	4	5	5															12
2014	24	20	22	22	18	20	18	16	17	12	12	12	9	9	9	5	5	5												16
2015	30	22	27	25	19	22	23	19	21	18	14	15	14	12	13	9	8	9				8	8							18
2016	27	19	24	28	19	23	24	19	22	20	16	17	18	15	16	14	13	13	11	8	10									19
2017	15	13	14	19	11	16	20	15	18	19	15	17	18	15	16	18	14	16	13	13	13	10	7	9	9	9				16
Grand Total	21	14	17	20	14	16	18	14	16	16	12	14	16	13	14	15	12	14	12	11	12	10	7	9	9	9				15

Notes: Performance data: 2009-1Q2018, losses reported for loans liquidated as of 4Q2017
 Cumulative Losses do not include modification losses

Severity Rates and Disposition Timelines REO



Severity Rates by Disposition and Origination Year

Disposition Year	Origination Year / St Type																							Grand Total	
	2009			2010			2011			2012			2013			2014			2015			2016			
	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	Total		
2009 - 2010	36	27	28																						28
2011	32	37	35	32	33	33																			35
2012	45	38	40	33	32	32	33	27	28																36
2013	43	34	39	46	34	39	39	31	33	45	36	37													37
2014	51	43	47	50	38	43	48	34	40	48	35	38	32	41	39										42
2015	48	47	48	51	39	46	51	44	47	48	36	41	43	39	40	28	60	48							44
2016	52	42	47	51	41	47	54	37	47	50	37	42	50	38	42	52	46	49	17	50	35				45
2017	53	34	43	41	28	35	49	31	40	34	30	32	38	32	34	41	27	33	42	25	30	38	38		35
Grand Total	46	38	41	46	35	40	49	35	41	44	35	38	43	36	38	43	35	38	40	26	30	38	38		40

Disposition Timelines (# months ddlpi to REO acquisition)

Disposition Year	Origination Year / St Type																							Grand Total		
	2009			2010			2011			2012			2013			2014			2015			2016			2017	
	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	Total		Total	
2009 - 2010	10	8	9																						9	
2011	12	10	10	10	8	8																			10	
2012	15	11	12	12	10	11	11	9	9																11	
2013	17	11	14	15	12	13	14	10	12	4	9	8													13	
2014	20	15	17	19	14	17	16	12	13	13	10	10	9	8	8	8	8	8							15	
2015	20	17	18	21	15	18	19	15	17	15	11	13	11	9	10	8	8	8							15	
2016	23	14	18	24	16	20	23	15	20	17	14	15	15	12	13	13	9	11	7	7	7				17	
2017	28	16	21	26	14	21	26	16	21	20	14	17	19	14	16	15	11	12	12	10	11	6	11	8	18	
Grand Total	18	12	15	20	13	16	20	13	16	17	12	14	16	12	13	14	10	12	11	10	10	6	11	8	6	

Disposition Timelines (# months REO acquisition to disposition)

Disposition Year	Origination Year / St Type																							Grand Total		
	2009			2010			2011			2012			2013			2014			2015			2016			2017	
	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	Total		Total	
2009 - 2010	4	4	4																						4	
2011	5	5	5	4	4	4																			5	
2012	7	7	7	5	6	5	4	5	5																6	
2013	8	8	8	7	8	8	7	7	7	7	5	5													7	
2014	8	9	9	8	9	9	7	8	8	6	7	7	5	5	5										8	
2015	8	9	9	9	9	9	8	9	8	7	8	7	6	7	7	4	5	5							8	
2016	10	11	11	9	10	9	8	9	9	9	8	9	8	8	8	8	7	7	5	5	5				9	
2017	10	10	10	10	9	10	10	10	10	8	8	8	7	8	8	8	8	8	5	7	6	4	7	5	9	
Grand Total	8	8	8	8	8	8	8	8	8	8	8	8	7	8	8	7	8	8	5	7	6	4	7	5	3	

Notes: Performance data: 2009-1Q2018, losses reported for loans liquidated as of 4Q2017
 Cumulative Losses do not include modification losses

Severity Rates and Disposition Timelines FA



Severity Rates by Disposition and Origination Year

Disposition Year	Origination Year / St Type																								Grand Total			
	2009			2010			2011			2012			2013			2014			2015			2016						
	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total				
2009 - 2010	15	25	22	28	11	16																						21
2011	25	27	26	26	23	24	16	25	22																			25
2012	30	28	28	28	26	27	24	22	23	28	32	31																26
2013	30	24	26	31	24	27	26	23	24	30	28	28	22	21	21													27
2014	38	26	32	37	24	31	32	21	27	31	26	28	27	27	27	15	28	21										29
2015	50	29	42	40	28	35	39	27	33	37	28	31	37	30	32	32	27	29			52	52						34
2016	42	23	35	43	24	33	40	24	33	39	25	31	37	27	32	33	28	30	24	19	21							32
2017	14	9	12	20	9	15	22	10	17	23	16	19	28	17	22	30	19	24	22	22	22	29	12	22				18
Grand Total	34	25	29	33	24	27	31	22	26	32	26	28	33	25	28	31	24	27	23	22	22	29	12	22				28

Disposition Timelines (# months delinquent at disposition)

Disposition Year	Origination Year / St Type																								Grand Total			
	2009			2010			2011			2012			2013			2014			2015			2016						
	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total	J	NJ	Total				
2009 - 2010	7	6	6	5	4	4																						6
2011	10	8	9	7	7	7	6	5	5																			8
2012	11	9	9	9	9	9	7	7	7	4	4	4																9
2013	13	11	12	13	10	11	10	9	9	7	6	6	4	5	5													9
2014	20	15	17	17	13	15	15	12	14	11	10	11	8	8	8	5	5	5										13
2015	31	20	27	23	17	20	20	16	18	16	13	14	13	11	12	9	8	8			8	8						17
2016	26	16	22	25	16	21	20	16	18	17	13	15	17	12	14	12	11	12	11	8	9							17
2017	9	7	8	12	7	10	13	9	11	14	11	13	15	11	13	16	11	13	11	9	10	10	4	8				12
Grand Total	18	11	14	16	11	13	15	11	13	14	10	12	14	11	12	13	10	11	11	8	10	10	4	8				13

Notes: Performance data: 2009-1Q2018, losses reported for loans liquidated as of 4Q2017
 Cumulative Losses do not include modification losses