OFFERING CIRCULAR

Freddie Mac

$327,473,000

Freddie Mac

Whole Loan Securities Trust, Series 2016-SC01

Issuer:	Freddie Mac Whole Loan Securities Trust, Series 2016-SC01
Offered Certificates:	Classes of Certificates shown in the table below
Trust Assets:	Two pools of fixed-rate, first lien Mortgage Loans with super-conforming balances
Seller, Master Servicer, Master Document Custodian, Trustee and Guarantor of Offered Certificates:	Freddie Mac
Securities Administrator:	U.S. Bank National Association
Trust Agent:	Wilmington Trust, National Association
Distribution Dates:	Monthly beginning in August 2016
Optional and Mandatory Termination:	The Trust is subject to optional and mandatory termination as described in this Offering Circular
Form of Offered Certificates:	Book-entry on the depository system of DTC
Offering Terms:	The underwriters named below are offering the Offered Certificates in negotiated transactions at varying prices
Closing Date:	July 26, 2016

Class	Initial Class Principal Amount(1)	Class Coupon(2)	CUSIP Number	Final Scheduled Distribution Date
Pool 1				
Class 1-A	$151,646,000	3.0%	3137G1AV9	July 25, 2046
Pool 2				
Class 2-A	$175,827,000	3.5%	3137G1AW7	July 25, 2046

(1) Approximate. May vary up to 10%.
(2) See *Summary of Terms — Interest.*

In addition to the Offered Certificates, the Trust will issue the Class M-1, Class M-2, Class B, Class R and Class RS Certificates (the "Non-Offered Certificates"). Only the Offered Certificates are offered by this Offering Circular. Information about the Non-Offered Certificates is included in this Offering Circular to help you understand the Offered Certificates.

The Offered Certificates may not be suitable investments for you. You should not purchase Offered Certificates unless you have carefully considered and are able to bear the associated prepayment, interest rate, yield and market risks of investing in them. *"Risk Factors"* beginning on page 19 highlights some of these risks.

You should purchase Offered Certificates only if you have read and understood this Offering Circular and the documents listed under *"Additional Information"*.

Freddie Mac guarantees timely interest and ultimate principal distributions on the Offered Certificates. These distributions are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac. The Offered Certificates are not tax-exempt. Because of applicable securities law exemptions, the Offered Certificates are not registered with any federal or state securities commission. No securities commission has reviewed this Offering Circular.

The Index of Significant Definitions beginning on page 131 of this Offering Circular indicates where definitions of certain defined terms appear in this Offering Circular.

BofA Merrill Lynch
Co-Lead Manager and Joint Bookrunner

Barclays
Co-Lead Manager and Joint Bookrunner

NOMURA
Co-Manager

Wells Fargo Securities
Co-Manager

Loop Capital
Selling Group Member

July 20, 2016

THE OFFERED CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR RECOMMENDED BY, ANY FEDERAL, STATE OR NON-U.S. SECURITIES COMMISSION, SECURITIES REGULATORY AUTHORITY OR INSURANCE OR OTHER REGULATORY BODY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT REVIEWED THIS DOCUMENT NOR CONFIRMED OR DETERMINED THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFERING CIRCULAR CONTAINS SUBSTANTIAL INFORMATION ABOUT THE OFFERED CERTIFICATES AND THE OBLIGATIONS OF THE ISSUER, THE GUARANTOR, THE MASTER SERVICER, THE SELLER, THE TRUSTEE, THE MASTER DOCUMENT CUSTODIAN, THE SECURITIES ADMINISTRATOR AND THE TRUST AGENT WITH RESPECT TO THE OFFERED CERTIFICATES. POTENTIAL INVESTORS ARE URGED TO REVIEW THIS OFFERING CIRCULAR IN ITS ENTIRETY.

PROSPECTIVE PURCHASERS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFERING CIRCULAR OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM FREDDIE MAC, THE TRUST AGENT, THE SECURITIES ADMINISTRATOR OR THE UNDERWRITERS OR ANY OF THEIR OFFICERS, EMPLOYEES OR AGENTS AS INVESTMENT, LEGAL, ACCOUNTING OR TAX ADVICE. PRIOR TO INVESTING IN THE OFFERED CERTIFICATES, A PROSPECTIVE PURCHASER SHOULD CONSULT WITH ITS ATTORNEY AND ITS INVESTMENT, ACCOUNTING, REGULATORY AND TAX ADVISORS TO DETERMINE THE CONSEQUENCES OF AN INVESTMENT IN THE OFFERED CERTIFICATES AND ARRIVE AT AN INDEPENDENT EVALUATION OF SUCH INVESTMENT, INCLUDING THE RISKS RELATED THERETO.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR. THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE OFFERED CERTIFICATES. THIS OFFERING CIRCULAR SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE OFFERED CERTIFICATES, IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH STATE OR OTHER JURISDICTION. THE DELIVERY OF THIS OFFERING CIRCULAR AT ANY TIME DOES NOT IMPLY THAT INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS OFFERING CIRCULAR OR THE EARLIER DATES REFERENCED HEREIN.

THIS OFFERING CIRCULAR HAS BEEN PREPARED BY FREDDIE MAC SOLELY FOR USE IN CONNECTION WITH THE SALE OF THE OFFERED CERTIFICATES. IN THIS OFFERING CIRCULAR, AS THE CONTEXT MAY REQUIRE, THE TERMS "WE", "US" AND "OUR" REFER TO FREDDIE MAC.

FREDDIE MAC IS IN CONSERVATORSHIP; POTENTIAL RECEIVERSHIP

WE CONTINUE TO OPERATE UNDER THE CONSERVATORSHIP THAT COMMENCED ON SEPTEMBER 6, 2008, CONDUCTING OUR BUSINESS UNDER THE DIRECTION OF THE FEDERAL HOUSING FINANCE AGENCY (**"FHFA"**) AS OUR CONSERVATOR (THE "**CONSERVATOR**"). UPON ITS APPOINTMENT, FHFA, AS CONSERVATOR, IMMEDIATELY SUCCEEDED TO ALL RIGHTS, TITLES, POWERS AND PRIVILEGES OF FREDDIE MAC AND OF ANY STOCKHOLDER, OFFICER OR DIRECTOR OF FREDDIE MAC WITH RESPECT TO OUR BUSINESS AND OUR ASSETS. THE CONSERVATOR HAS DIRECTED AND WILL CONTINUE TO DIRECT CERTAIN OF OUR BUSINESS ACTIVITIES AND STRATEGIES. UNDER THE FEDERAL HOUSING FINANCE REGULATORY REFORM ACT OF 2008, FHFA MUST PLACE FREDDIE MAC INTO RECEIVERSHIP IF THE DIRECTOR OF FHFA MAKES A DETERMINATION IN WRITING THAT ITS ASSETS ARE, AND FOR A PERIOD OF 60 DAYS HAVE BEEN, LESS THAN ITS OBLIGATIONS. FHFA HAS NOTIFIED FREDDIE MAC THAT THE MEASUREMENT PERIOD FOR ANY MANDATORY RECEIVERSHIP DETERMINATION WITH RESPECT TO ITS ASSETS AND OBLIGATIONS WOULD COMMENCE NO EARLIER THAN THE SEC PUBLIC FILING DEADLINE FOR ITS QUARTERLY OR ANNUAL FINANCIAL STATEMENTS AND WOULD CONTINUE FOR 60 CALENDAR DAYS AFTER THAT DATE. FHFA HAS ALSO ADVISED

FREDDIE MAC THAT, IF, DURING THAT 60-DAY PERIOD, FREDDIE MAC RECEIVES FUNDS FROM TREASURY IN AN AMOUNT AT LEAST EQUAL TO THE DEFICIENCY AMOUNT UNDER THE PURCHASE AGREEMENT, THE DIRECTOR OF FHFA WILL NOT MAKE A MANDATORY RECEIVERSHIP DETERMINATION.

IN ADDITION, FREDDIE MAC COULD BE PUT INTO RECEIVERSHIP AT THE DISCRETION OF THE DIRECTOR OF FHFA AT ANY TIME FOR OTHER REASONS, INCLUDING CONDITIONS THAT FHFA HAS ALREADY ASSERTED EXISTED AT THE TIME THE THEN DIRECTOR OF FHFA PLACED FREDDIE MAC INTO CONSERVATORSHIP. THESE INCLUDE: A SUBSTANTIAL DISSIPATION OF ASSETS OR EARNINGS DUE TO UNSAFE OR UNSOUND PRACTICES; THE EXISTENCE OF AN UNSAFE OR UNSOUND CONDITION TO TRANSACT BUSINESS; AN INABILITY TO MEET OUR OBLIGATIONS IN THE ORDINARY COURSE OF BUSINESS; A WEAKENING OF OUR CONDITION DUE TO UNSAFE OR UNSOUND PRACTICES OR CONDITIONS; CRITICAL UNDERCAPITALIZATION; THE LIKELIHOOD OF LOSSES THAT WILL DEPLETE SUBSTANTIALLY ALL OF OUR CAPITAL; OR BY CONSENT. A RECEIVERSHIP WOULD TERMINATE THE CURRENT CONSERVATORSHIP.

IF FHFA WERE TO BECOME FREDDIE MAC'S RECEIVER, IT COULD EXERCISE CERTAIN POWERS THAT COULD ADVERSELY AFFECT THE OFFERED CERTIFICATES.

IN ITS CAPACITY AS RECEIVER, FHFA WOULD HAVE THE RIGHT TO TRANSFER OR SELL ANY ASSET OR LIABILITY OF FREDDIE MAC, INCLUDING ITS OBLIGATION TO MAKE GUARANTOR PAYMENTS ON THE OFFERED CERTIFICATES, WITHOUT ANY APPROVAL, ASSIGNMENT OR CONSENT OF ANY PARTY. IF FHFA, AS RECEIVER, WERE TO TRANSFER SUCH OBLIGATION TO ANOTHER PARTY, HOLDERS OF THE OFFERED CERTIFICATES WOULD HAVE TO RELY ON THAT PARTY FOR SATISFACTION OF THE OBLIGATION AND WOULD BE EXPOSED TO THE CREDIT RISK OF THAT PARTY.

DURING A RECEIVERSHIP, CERTAIN RIGHTS OF HOLDERS OF THE CERTIFICATES MAY NOT BE ENFORCEABLE AGAINST FHFA, OR ENFORCEMENT OF SUCH RIGHTS MAY BE DELAYED.

THE REFORM ACT ALSO PROVIDES THAT NO PERSON MAY EXERCISE ANY RIGHT OR POWER TO TERMINATE, ACCELERATE OR DECLARE AN EVENT OF DEFAULT UNDER CERTAIN CONTRACTS TO WHICH FREDDIE MAC IS A PARTY, OR OBTAIN POSSESSION OF OR EXERCISE CONTROL OVER ANY PROPERTY OF FREDDIE MAC, OR AFFECT ANY CONTRACTUAL RIGHTS OF FREDDIE MAC, WITHOUT THE APPROVAL OF FHFA AS RECEIVER, FOR A PERIOD OF 90 DAYS FOLLOWING THE APPOINTMENT OF FHFA AS RECEIVER.

IMPORTANT NOTICE REGARDING THE OFFERED CERTIFICATES

IF THE ISSUER OR AN UNDERWRITER DETERMINES THAT A CONDITION IS NOT SATISFIED IN ANY MATERIAL RESPECT, SUCH PROSPECTIVE INVESTOR WILL BE NOTIFIED, AND NEITHER THE ISSUER NOR THE UNDERWRITERS WILL HAVE ANY OBLIGATION TO SUCH PROSPECTIVE INVESTOR TO DELIVER ANY PORTION OF THE OFFERED CERTIFICATES WHICH SUCH PROSPECTIVE INVESTOR HAS COMMITTED TO PURCHASE, AND THERE WILL BE NO LIABILITY BETWEEN THE UNDERWRITERS OR ANY OF THEIR RESPECTIVE AGENTS OR AFFILIATES, ON THE ONE HAND, AND SUCH PROSPECTIVE INVESTOR, ON THE OTHER HAND, AS A CONSEQUENCE OF THE NON-DELIVERY.

IMPORTANT NOTICE ABOUT INFORMATION PRESENTED IN THIS OFFERING CIRCULAR

THE INFORMATION CONTAINED IN THESE MATERIALS MAY BE BASED ON ASSUMPTIONS REGARDING MARKET CONDITIONS AND OTHER MATTERS AS REFLECTED HEREIN. NO REPRESENTATION IS MADE REGARDING THE REASONABLENESS OF SUCH ASSUMPTIONS OR THE LIKELIHOOD THAT ANY SUCH ASSUMPTIONS WILL COINCIDE WITH ACTUAL MARKET CONDITIONS OR EVENTS, AND THESE MATERIALS SHOULD NOT BE RELIED UPON FOR SUCH PURPOSES. THE UNDERWRITERS AND THEIR AFFILIATES, OFFICERS, DIRECTORS, PARTNERS AND EMPLOYEES, INCLUDING PERSONS INVOLVED IN THE PREPARATION OR ISSUANCE OF THIS OFFERING CIRCULAR, MAY FROM TIME TO TIME HAVE LONG OR SHORT POSITIONS IN, AND BUY AND SELL, THE CERTIFICATES MENTIONED HEREIN OR DERIVATIVES THEREOF (INCLUDING OPTIONS). IN ADDITION, THE UNDERWRITERS AND THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, PARTNERS AND EMPLOYEES, INCLUDING PERSONS INVOLVED IN THE PREPARATION OR ISSUANCE OF THIS OFFERING CIRCULAR, MAY HAVE AN INVESTMENT OR COMMERCIAL BANKING RELATIONSHIP WITH US. SEE "*RISK FACTORS — THE INTERESTS OF FREDDIE MAC, THE UNDERWRITERS AND OTHERS MAY CONFLICT WITH AND BE ADVERSE TO THE INTERESTS OF THE CERTIFICATEHOLDERS — POTENTIAL CONFLICTS OF INTEREST OF THE UNDERWRITERS AND THEIR AFFILIATES*". INFORMATION IN THIS OFFERING CIRCULAR IS CURRENT AS OF THE DATE APPEARING ON THE MATERIAL ONLY. INFORMATION IN THIS OFFERING CIRCULAR REGARDING ANY OFFERED CERTIFICATES SUPERSEDES ALL PRIOR INFORMATION REGARDING SUCH OFFERED CERTIFICATES. THE OFFERED CERTIFICATES MAY NOT BE SUITABLE FOR ALL PROSPECTIVE INVESTORS.

FORWARD LOOKING STATEMENTS

This Offering Circular contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the **"Securities Act"**). Specifically, forward looking statements, together with related qualifying language and assumptions, are found in the material (including the tables) under the headings *"Risk Factors"* and *"Prepayment and Yield Considerations*" and in the appendices. Forward looking statements are also found in other places throughout this Offering Circular, and may be identified by, among other things, accompanying language such as "expects," "intends," "anticipates," "estimates" or analogous expressions, or by qualifying language or assumptions. These statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results or performance to differ materially from that described in or implied by the forward looking statements. These risks, uncertainties and other factors include, among others, general economic and business conditions, competition, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, customer preference and various other matters, many of which are beyond Freddie Mac's control. These forward looking statements speak only as of the date of this Offering Circular. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward looking statements to reflect changes in our expectations with regard to those statements or any change in events, conditions or circumstances on which any forward looking statement is based.

FREDDIE MAC

General

Freddie Mac was chartered by Congress in 1970 under the Federal Home Loan Mortgage Corporation Act (the **"Freddie Mac Act"**) with a public mission to stabilize the nation's residential mortgage markets and expand opportunities for homeownership and affordable rental housing.

Our statutory mission is to provide liquidity, stability and affordability to the U.S. housing market. We are involved in the U.S. housing market by participating in the secondary mortgage market. We do not participate directly in the primary mortgage market. Our participation in the secondary mortgage market includes providing our credit guarantee for mortgages originated by mortgage lenders in the primary mortgage market and investing in mortgage loans and mortgage-related securities.

Although we are chartered by Congress, we alone are responsible for making payments on our securities. Neither the U.S. government nor any agency or instrumentality of the U.S. government, other than Freddie Mac, guarantees our securities and other obligations.

Our statutory mission, as defined in our charter, is:

- To provide stability in the secondary market for residential mortgages;
- To respond appropriately to the private capital market;
- To provide ongoing assistance to the secondary market for residential mortgages (including activities related to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return received on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and
- To promote access to mortgage credit throughout the U.S. (including central cities, rural areas and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

Conservatorship and Related Matters

The Federal Housing Finance Regulatory Reform Act of 2008 (the **"Reform Act"**) became law on July 30, 2008 and was effective immediately. The Reform Act established FHFA as an independent agency with general supervisory and regulatory authority over Freddie Mac. FHFA assumed the duties of Freddie Mac's former regulators, the Office of Federal Housing Enterprise Oversight and the U.S. Department of Housing and Urban Development (**"HUD"**), with respect to safety, soundness and mission oversight of Freddie Mac. HUD remains Freddie Mac's regulator with respect to fair lending matters.

We continue to operate under the conservatorship that commenced on September 6, 2008, conducting our business under the direction of FHFA as our Conservator. Upon its appointment, FHFA, as Conservator, immediately succeeded to all rights, titles, powers and privileges of Freddie Mac and of any stockholder, officer or director of Freddie Mac with respect to our business and our assets. The Conservator has directed and will continue to direct certain of our business activities and strategies. The Conservator has delegated certain authority to our Board of Directors to oversee, and to management to conduct, day-to-day operations. The directors serve on behalf of, and exercise authority as directed by, the Conservator. There is significant uncertainty as to whether or when we will emerge from conservatorship, as it has no specified termination date, and as to what changes may occur to our business structure during or following conservatorship, including whether we will continue to exist. We are not aware of any current plans of our Conservator to significantly change our business model or capital structure in the near-term. Our future structure and role will be determined by the Administration of the United States President and Congress, and there are likely to be significant changes beyond the near-term. We have no ability to predict the outcome of these deliberations. See *"Risk Factors — Risks Relating to Freddie Mac"*.

On February 11, 2011, the Administration delivered a report to Congress that laid out the Obama Administration's plan to reform the U.S. housing finance market, including options for structuring the government's long-term role in a housing finance system in which the private sector is the dominant provider of mortgage credit. The report recommends winding down Freddie Mac and the Federal National Mortgage Association (**"Fannie Mae"**), stating that the Obama Administration would work with FHFA to determine the best way to responsibly reduce the role of Freddie Mac and Fannie Mae in the market and ultimately wind down both institutions. The report stated that these efforts must be undertaken at a deliberate pace, which takes into account the impact that these changes will have on mortgagors and the housing market.

The report stated that the government is committed to ensuring that Freddie Mac and Fannie Mae have sufficient capital to perform under any guarantees issued now or in the future and the ability to meet any of their debt obligations, and further stated that the Obama Administration will not pursue policies or reforms in a way that would impair the ability of Freddie Mac and Fannie Mae to honor their obligations. The report stated the Obama Administration's belief that, under the companies' senior preferred stock purchase agreements (with respect to the agreement, as amended, with Freddie Mac, the **"Purchase Agreement"**) with the U.S. Department of the Treasury (**"Treasury"**), there was sufficient funding to ensure the orderly and deliberate wind down of Freddie Mac and Fannie Mae, as described in the Obama Administration's plan.

In May 2014, FHFA issued its 2014 Strategic Plan. The 2014 Strategic Plan updated FHFA's vision for implementing its obligations as Conservator of Freddie Mac and Fannie Mae, and established three reformulated strategic goals for the conservatorships of Freddie Mac and Fannie Mae:

- Maintain, in a safe and sound manner, foreclosure prevention activities and credit availability for new and refinanced mortgages to foster liquid, efficient, competitive and resilient national housing finance markets.
- Reduce taxpayer risk through increasing the role of private capital in the mortgage market.
- Build a new single-family securitization infrastructure for use by Freddie Mac and Fannie Mae and adaptable for use by other participants in the secondary market in the future.

FHFA issues Conservatorship Scorecards that establish annual objectives and performance targets and measures for Freddie Mac and Fannie Mae related to the strategic goals set forth in the 2014 Strategic Plan. FHFA issued the 2014, 2015 and 2016 Conservatorship Scorecards in May 2014, January 2015 and December 2015, respectively.

We are a government-sponsored enterprise with a specific and limited corporate purpose (i.e., **"Charter Mission"**) to support the liquidity, stability and affordability of U.S. housing mortgage markets as a participant in the secondary mortgage market, while operating as a commercial enterprise earning an appropriate return. Everything we do must be done within the specific constraints of our Charter Mission.

Our primary business strategies center around two overarching goals — a better Freddie Mac and a better housing finance system — as we plan to pursue our Charter Mission over a timeframe of the next two to four years, or approximately through 2018 to 2020. Our core assumption is that the conservatorship will continue with no material changes during that period. These strategies complement FHFA's annual Conservatorship Scorecards.

In creating a better Freddie Mac, we are focused on operating as a well-run large financial institution, by (i) being an effective operating organization, (ii) being a market leader through customer focus and innovation and (iii) managing risk and economic capital to earn quality risk-adjusted returns. In creating a better housing finance system, we are focused on providing leadership, through innovation and a constructive forward-looking engagement with FHFA to improve the liquidity, stability, and affordability of the U.S. housing markets, by (i) modernizing and improving the functioning of the mortgage markets, (ii) developing greater responsible access to housing finance and (iii) reducing taxpayer exposure to mortgage risks.

For information on the 2016 Conservatorship Scorecard, see our current report on Form 8-K dated December 18, 2015.

Purchase Agreement

On September 7, 2008, we, through FHFA, in its capacity as Conservator, and Treasury entered into the Purchase Agreement. The Purchase Agreement was subsequently amended and restated on September 26, 2008, and further amended on May 6, 2009, December 24, 2009, and August 17, 2012. Pursuant to the Purchase Agreement, on September 8, 2008 we issued to Treasury: (a) one million shares of variable liquidation preference senior preferred stock (with an initial liquidation preference of $1.0 billion), which we refer to as the senior preferred stock; and (b) a warrant to purchase, for a nominal price, shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis at the time the warrant is exercised, which we refer to as the warrant. We did not receive any cash proceeds from Treasury as a result of issuing the senior preferred stock or the warrant. However, deficits in our net worth have made it necessary for us to make substantial draws on Treasury's funding commitment under the Purchase Agreement. As a result, the aggregate liquidation preference of the senior preferred stock has increased from $1.0 billion as of September 8, 2008 to $72.3 billion as of March 31, 2016. Under the Purchase Agreement, our ability to repay the liquidation preference of the senior preferred stock is limited and we will not be able to do so for the foreseeable future, if at all.

As of March 31, 2016, the amount of available funding remaining under the Purchase Agreement was $140.5 billion. This amount will be reduced by any future draws.

In addition to the issuance of the senior preferred stock and warrant, we are required under the Purchase Agreement to pay a quarterly commitment fee to Treasury. Under the Purchase Agreement, the fee is to be determined in an amount mutually agreed to by us and Treasury with reference to the market value of Treasury's funding commitment as then in effect. However, for each quarter commencing January 1, 2013, by agreement with Treasury, no periodic commitment fee under the Purchase Agreement will be set, accrue or be payable. Treasury had waived the fee for all applicable quarters prior to that date.

The Purchase Agreement provides that, on a quarterly basis, we generally may draw funds up to the amount, if any, by which our total liabilities exceed our total assets, as reflected on our GAAP balance sheet for the applicable fiscal quarter (referred to as the deficiency amount), provided that the aggregate amount funded under the Purchase Agreement may not exceed Treasury's commitment. The Purchase Agreement provides that the deficiency amount will be calculated differently if we become subject to receivership or other liquidation process. The deficiency amount may be increased above the otherwise applicable amount upon our mutual written agreement with Treasury. In addition, if the Director of FHFA determines that the Director will be mandated by law to appoint a receiver for us unless our capital is increased by receiving funds under the commitment in an amount up to the deficiency amount (subject to the maximum amount that may be funded under the Purchase Agreement), then FHFA, in its capacity as our Conservator, may request that Treasury provide funds to us in such amount. The Purchase Agreement also provides that, if we have a deficiency amount as of the date of completion of the liquidation of our assets, we may request funds from Treasury in an amount up to the deficiency amount (subject to the maximum amount that may be funded under the agreement). Any amounts that we draw under the Purchase Agreement will be added to the liquidation preference of the senior preferred stock. No additional shares of senior preferred stock are required to be issued under the Purchase Agreement.

The Purchase Agreement provides that Treasury's funding commitment will terminate under any of the following circumstances: (a) the completion of our liquidation and fulfillment of Treasury's obligations under its funding commitment at that time; (b) the payment in full of, or reasonable provision for, all of our liabilities (whether or not contingent, including mortgage guarantee obligations); and (c) the funding by Treasury of the maximum amount of the commitment under the Purchase Agreement. In addition, Treasury may terminate its funding commitment and declare the Purchase Agreement null and void if a court vacates, modifies, amends, conditions, enjoins, stays or otherwise affects the appointment of the Conservator or otherwise curtails the Conservator's powers. Treasury may not terminate its funding commitment under the Purchase Agreement solely by reason of our being in conservatorship, receivership or other insolvency proceeding, or due to our financial condition or any adverse change in our financial condition.

The Purchase Agreement provides that most provisions of the agreement may be waived or amended by mutual written agreement of the parties; however, no waiver or amendment of the agreement is permitted that

would decrease Treasury's aggregate funding commitment or add conditions to Treasury's funding commitment if the waiver or amendment would adversely affect in any material respect the holders of our debt securities or Freddie Mac mortgage guarantee obligations.

In the event of our default on our obligations with respect to the Offered Certificates or Freddie Mac mortgage guarantee obligations, if Treasury fails to perform its obligations under its funding commitment and if we and/or the Conservator are not diligently pursuing remedies in respect of that failure, the holders of these securities or Freddie Mac mortgage guarantee obligations may file a claim in the United States Court of Federal Claims for relief requiring Treasury to fund to us the lesser of: (a) the amount necessary to cure the guarantee defaults on the Offered Certificates and Freddie Mac mortgage guarantee obligations; or (b) the lesser of: (i) the deficiency amount; or (ii) the maximum amount of the commitment less the aggregate amount of funding previously provided under the commitment. Any payment that Treasury makes under those circumstances will be treated for all purposes as a draw under the Purchase Agreement that will increase the liquidation preference of the senior preferred stock.

The Purchase Agreement has an indefinite term and can terminate only in limited circumstances, which do not include the end of the conservatorship. The Purchase Agreement therefore could continue after the conservatorship ends.

We are dependent upon the continued support of Treasury and FHFA in order to continue operating our business. Our ability to access funds from Treasury under the Purchase Agreement is critical to keeping us solvent and avoiding appointment of a receiver by FHFA under statutory mandatory receivership provisions. Any deterioration in our financial position and any discontinued support of the Treasury could result in Realized Losses and Certificate Writedown Amounts being allocated to the Senior Certificates in the absence of the Guarantee.

ADDITIONAL INFORMATION

Our common stock is registered with the U.S. Securities and Exchange Commission (**"SEC"**) under the Securities Exchange Act of 1934 (**"Exchange Act"**). We file reports and other information with the SEC.

As described below, we incorporate certain documents by reference in this Offering Circular, which means that we are disclosing information to you by referring you to those documents rather than by providing you with separate copies. We incorporate by reference in this Offering Circular (1) our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 18, 2016; (2) all other reports we have filed with the SEC pursuant to Section 13(a) of the Exchange Act since the end of the year covered by that Form 10-K report, excluding any information we "furnish" to the SEC on Form 8-K; and (3) all documents that we file with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Offering Circular and prior to the termination of the offering of the Certificates, excluding any information we "furnish" to the SEC on Form 8-K. These documents are collectively referred to as the **"Incorporated Documents"** and are considered part of this Offering Circular. You should read this Offering Circular in conjunction with the Incorporated Documents. Information that we incorporate by reference will automatically update information in this Offering Circular. Therefore, you should rely only on the most current information provided or incorporated by reference in this Offering Circular.

You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

After the Closing Date, you can obtain, without charge, copies of this Offering Circular, the Incorporated Documents and the Pooling and Servicing Agreement to be dated as of the Closing Date among the Seller, Guarantor, Master Servicer, Master Document Custodian, Trustee, Trust Agent and Securities Administrator (the **"Pooling and Servicing Agreement"**) from:

Freddie Mac — Investor Inquiry
1551 Park Run Drive
McLean, Virginia 22102-3110
Telephone: 1-800-336-3672
(571-382-4000 within the Washington, D.C. area)
E-mail: Investor_Inquiry@freddiemac.com

We also make the Offering Circular and Incorporated Documents available on our internet website at this address: **Internet Website: www.freddiemac.com**[1]

Loan-level information provided in this Offering Circular and made available on the Securities Administrator's internet website is based upon information reported and furnished to us by the Underlying Sellers and Underlying Servicers of the Mortgage Loans (i) at the time we purchased the Mortgage Loans, (ii) through subsequent data revisions and (iii) in monthly servicing updates. Except as described in this Offering Circular, we did not verify the information reported and furnished to us by the Underlying Sellers and Underlying Servicers. The Securities Administrator has not participated in the preparation of this Offering Circular and makes no representation or warranty as to the accuracy of the information contained herein.

1 We provide this and other internet addresses solely for the information of investors. We do not intend these internet addresses to be active links and we are not using references to these addresses to incorporate additional information into this Offering Circular, except as specifically stated in this Offering Circular.

An investor may access the Guide (as defined in this Offering Circular) through www.freddiemac.com by clicking on "Doing Business with Freddie Mac" and then on "The Guide and Forms." The investor should then click on "All Regs," which can be found under "Access the Guide."

2 An investor may access the loan-level information through either the Securities Administrator's website, subject to the terms and conditions therein, by clicking on www.usbank.com/abs or on www.freddiemac.com, subject to the terms and conditions therein.

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

TABLE OF CONTENTS

	Page
FREDDIE MAC IS IN CONSERVATORSHIP; POTENTIAL RECEIVERSHIP	ii
IMPORTANT NOTICE REGARDING THE OFFERED CERTIFICATES	iii
IMPORTANT NOTICE ABOUT INFORMATION PRESENTED IN THIS OFFERING CIRCULAR	iv
FORWARD LOOKING STATEMENTS	iv
FREDDIE MAC	v
General	v
Conservatorship and Related Matters	v
Purchase Agreement	vii
ADDITIONAL INFORMATION	ix
TRANSACTION SUMMARY	1
SUMMARY OF TERMS	4
RISK FACTORS	19
General	19
Risks Relating to the Mortgage Loans	19
The Economic Conditions Experienced in 2007 and Subsequent Years Significantly and Adversely Affected the Mortgage Market and Caused Significant and Unexpected Deterioration in the Value of, and Greater Volatility with Respect to, Mortgage Loans and Mortgage Securities, Including Mortgage Securities Similar to the Certificates	19
Freddie Mac's Limited Review of a Sample of the Mortgage Loans May Not Reveal All Aspects Which Could Lead to Losses	20
Freddie Mac Does Not Re-Underwrite the Mortgage Loans it Acquires From its Underlying Sellers, Which May Adversely Affect the Performance of the Mortgage Loans	20
Freddie Mac's Limited Review of a Sample of the Mortgage Loans Covers Only Some of the Defects Which Could Lead to Losses and Would Not Detect All Potentially Relevant Defects	21
Limited Scope and Size of the Diligence Provider's Review of the Mortgage Loans May Not Reveal Aspects of the Due Diligence Sample Which Could Lead to Realized Losses	21
Review of Mortgage Loans Once a Breach Review Trigger is Met May Result in Expenses to the Trust which Adversely Affect the Certificates	22
Actions to Enforce Breaches of Representations and Warranties Relating to Mortgage Loan Characteristics May Take a Significant Amount of Time or Cause Delays or Reductions in the Amount of Distributions Made to Certificateholders	23
Underwriting Standards Used by Many of Freddie Mac's Underlying Sellers May be Less Stringent than Required by Freddie Mac's Guide	23
Recent Developments in the Residential Mortgage Market, Turbulence in the Financial Markets and Lack of Liquidity for Mortgage-Related Securities May Adversely Affect the Performance and Market Value of the Offered Certificates	23
The Rate and Timing of Principal Payment Collections on the Mortgage Loans Will Affect the Yield on the Offered Certificates	25
The Performance of the Mortgage Loans Could be Dependent on the Underlying Servicers	27
Servicers May Not Follow the Requirements of Our Guide or TOBs, and Servicing Standards May Change Periodically	27
Servicing Transfers May Result in Decreased or Delayed Collections and Losses	28
Each Underlying Servicer's Discretion Over the Servicing of the Related Mortgage Loans May Impact the Amount and Timing of Funds Available to Make Distributions on the Certificates	28
The Performance of Underlying Sellers and Underlying Servicers May Adversely Affect the Performance of the Mortgage Loans	28
Solicitation May Result in Erosion in the Overall Credit Quality of the Mortgage Pool	29
Mortgagors May Have, or May in the Future Incur, Additional Indebtedness Secured by Mortgaged Properties Securing the Mortgage Loans	29
Geographic Concentration May Increase Risk of Losses Due to Adverse Economic Conditions or Natural Disasters	29

Page

The Rate of Losses on Mortgage Loans That Are Secured by Second Homes or Investment Properties May be Higher than on Other Mortgage Loans 30
The Rate of Losses on Mortgage Loans That Are Cash-out Refinance Transactions May be Higher Than on Other Mortgage Loans 30
Mortgage Loans Made to Certain Mortgagors May Present a Greater Risk 30
Proposals to Acquire Mortgage Loans by Eminent Domain May Adversely Affect Your Certificates 31
Statutory and Judicial Limitations on Foreclosure Procedures May Delay Recovery in Respect of the Mortgaged Properties and, in Some Instances, Limit the Amount That May Be Recovered by the Underlying Servicers, Resulting in Realized Losses on the Mortgage Loans That Might Be Allocated to the Certificates 31
Stricter Enforcement of Foreclosure Rules and Documentation Requirements May Cause Delays and Increase the Risk of Loss 32
Insurance Related to the Mortgaged Properties May Not Be Sufficient to Compensate for Losses 32
Delays in Liquidation; Liquidation Proceeds May Be Less Than Mortgage Loan Balance 32
Helping Families Save Their Homes Act 33
Investors Will Be Dependent on Certain Third Parties Performing Their Responsibilities in an Accurate and Timely Manner 33
Regulators May Require Freddie Mac to Employ Certain Strategies Which May Result in Losses to Certificates 34
Impact of Potential Military Action and Terrorist Attacks 34
Mortgage Loan Historical Information is Not Indicative of Future Performance of the Mortgage Pool 34
Governance and Regulation 34
The Dodd-Frank Act and Related Regulation May Adversely Affect Our Business Activities and the Trust 34
Risks Associated With Mortgage Loan Origination or Ownership 35
Governmental Actions May Affect Servicing of Mortgage Loans and May Limit the Underlying Servicer’s Ability to Foreclose 35
Legislative or Regulatory Actions Could Adversely Affect Our Business Activities and the Trust 36
Risks Associated With the Investment Company Act 38
Risks Related to the Potential Elimination or Reduction of the Mortgage-Interest Tax Deduction 39
Violation of Various Federal, State and Local Laws May Result in Losses on the Mortgage Loans 39
Violations of TRID May Result in Losses 40
Special Assessments, Energy Efficiency and Homeowner Association Liens May Take Priority Over the Mortgage Lien 40
Risks Relating to Freddie Mac 41
The Conservator May Repudiate Freddie Mac’s Contracts, Including Its Guarantee and Other Obligations Related to the Offered Certificates 41
Future Legislation and Regulatory Actions Will Likely Affect the Role of Freddie Mac 41
FHFA Could Terminate the Conservatorship by Placing Us into Receivership, Which Could Adversely Affect Our Guarantee and Other Performance under the Pooling and Servicing Agreement 41
Freddie Mac is Dependent Upon the Support of Treasury 42
Freddie Mac’s Changes in Business Practices May Negatively Impact the Certificateholders 42
Investment Factors and Risks Related to the Certificates 43
The Offered Certificates May Not Be Repaid in Full 43
Credit Support Available From the Subordinate Certificates Is Limited and May Not Be Sufficient to Prevent Loss on Your Certificates 43
Changes in the Market Value of the Certificates May Not Be Reflective of the Performance or Anticipated Performance of the Mortgage Loans 43

	Page
Legal and Regulatory Provisions Affecting Investors Could Adversely Affect the Liquidity of the Certificates, Which May Limit Investors' Ability to Sell the Certificates	43
The Offered Certificates May be Retired Early	44
The Offered Certificates Will Not Be Rated by a Rating Agency on the Closing Date	44
A Reduction, Withdrawal or Qualification of the Ratings on the Rated Certificates, or the Issuance of an Unsolicited Rating on the Rated Certificates, May Adversely Affect the Market Value of Those Certificates and/or Limit an Investor's Ability to Resell Those Certificates	44
The Ratings on the Rated Certificates May Not Reflect All Risks	45
There May be Limited Liquidity of the Certificates, Which May Limit Investors' Ability to Sell the Certificates	45
Investors Have No Direct Right to Enforce Remedies	45
Legality of Investment	46
Rights of Certificate Owners May Be Limited by Book-Entry System	46
Tax Characterization of the Certificates	46
Downgrade of Long-term Ratings of Eurozone Nations and the United States May Adversely Affect the Market Value of the Certificates	47
The Interests of Freddie Mac, the Underwriters and Others May Conflict With and be Adverse to the Interests of the Certificateholders	47
The Relationships Among Freddie Mac, Servicers and Sellers are Multifaceted and Complex	47
Interests of Freddie Mac May Not be Aligned With the Interests of the Certificateholders	47
Potential Conflicts of Interest of the Underwriters and their Affiliates	48
There May Be Conflicts of Interest Between the Classes of Certificates	49
Combination or "Layering" of Multiple Risk Factors May Significantly Increase the Risk of Loss on Your Certificates	49
DESCRIPTION OF THE MORTGAGE LOANS	49
General	49
Credit Risk Retention	50
The Mortgage Pools	50
Pool 1 Mortgage Loans ("Pool 1")	50
Pool 2 Mortgage Loans ("Pool 2")	50
GENERAL MORTGAGE LOAN PURCHASE AND SERVICING	51
Approved Underlying Sellers and Servicers	52
Underwriting Standards	52
The Application	53
Use of Credit Scoring	53
Loan-to-Value Ratio	53
Debt-to-Income Ratio	54
Loans with Subordinate Financing	54
Documentation	54
Collateral Valuation	55
Flood Determinations and Property Insurance	55
Title Insurance	55
Servicing Standards	55
General	55
Servicing Responsibilities and Compensation	56
Mortgage Loan Life Cycle	58
Collection and Other Servicing Procedures	58
Property Insurance	58
Default Management	59
Managing REO Properties	63
General	63
The REO Intake Process	64
Redemption and Confirmation Periods	64

Page

Preservation & Maintenance . . . 65
Rental Management/Eviction . . . 65
Title . . . 65
Property Valuation and Disposition . . . 65
Special Sales Programs . . . 66
Repurchase and Repurchase Alternatives . . . 66
Quality Assurance . . . 66
Servicing Alignment Initiative and Making Home Affordable Programs . . . 67
Monitoring Servicing Performance, Freddie Mac Servicer Success Program . . . 67
Servicer Termination Event . . . 68
Due Diligence Review . . . 68
General . . . 68
Credit Reviews . . . 69
Appraisal Reviews . . . 69
Data Integrity Reviews . . . 70
Compliance Reviews . . . 70
Limitations of the Diligence Provider's Review Process . . . 71
Freddie Mac Quality Control Process . . . 71
General . . . 71
Performing Loan Quality Control Review . . . 71
Freddie Mac Due Diligence Review . . . 72
Results of the Freddie Mac Due Diligence Credit Review and Appraisal Review . . . 72
Results of the Freddie Mac Due Diligence Compliance Review . . . 72
Results of the Freddie Mac Due Diligence Data Integrity Review . . . 73
Limitations of Freddie Mac's Due Diligence Review . . . 73
HISTORICAL INFORMATION . . . 74
DESCRIPTION OF THE CERTIFICATES . . . 74
General . . . 74
Structure of Transaction . . . 75
Form, Registration and Transfer of the Certificates . . . 75
Replacement . . . 79
Certificates Acquired by Freddie Mac . . . 79
Notice . . . 79
Distributions . . . 79
Reporting Periods . . . 80
Glossary of Terms . . . 80
Interest . . . 87
Distributions of Interest . . . 88
Principal . . . 89
Allocation of Principal Remittance Amount . . . 89
Reductions in Class Principal Amounts Due to Allocation of Realized Losses . . . 90
Increases in Class Principal Amounts Due to Allocation of Subsequent Recoveries . . . 90
Reductions in Class Principal Amounts Due to Allocation of Certificate Writedown Amounts . . . 90
Principal Distribution on the Maturity Date . . . 91
Advances . . . 91
Modifications and Expenses . . . 91
Freddie Mac Guarantee of Offered Certificates . . . 92
THE POOLING AND SERVICING AGREEMENT . . . 92
Freddie Mac as Seller, Master Servicer, Master Document Custodian, Trustee and Guarantor . . . 93
Assignment of the Mortgage Loans . . . 94
Mortgage Loan Representations and Warranties . . . 95
Review of Mortgage Loan After a Breach Review Trigger Event . . . 95
Sunset of Representations and Warranties . . . 97

	Page
Repurchases of Mortgage Loans	97
Collection Account and Certificate Account	98
Master Servicer Reports	99
Securities Administrator Reports	100
Servicing Compensation and Reimbursement of Advances	101
Various Matters Regarding Freddie Mac	101
Events of Default	102
Rights Upon Event of Default	102
Amendment	103
Notice	104
Governing Law	104
Trust Agent	104
Duties of the Trust Agent	104
Securities Administrator	105
Duties of the Securities Administrator	106
PREPAYMENT AND YIELD CONSIDERATIONS	107
Realized Losses	107
Prepayment Considerations and Risks	107
Assumptions Relating to Declining Balances Tables, Cumulative Realized Losses Table and Yield Tables	108
Weighted Average Lives of the Certificates	109
Declining Balances Tables	110
Yield Considerations with Respect to the Certificates	112
Cumulative Realized Losses Table	112
Yield Tables	113
USE OF PROCEEDS	113
CERTAIN LEGAL ASPECTS OF THE MORTGAGE LOANS	114
Security Instruments	114
Foreclosure	114
Rights of Redemption	116
Anti-Deficiency Legislation and Other Limitations on Lenders	117
Environmental Legislation	118
Consumer Protection Laws	119
Federal and State Anti-Predatory Lending Laws and Restrictions on Servicing	119
Enforceability of Due-On-Sale Clauses	121
Subordinate Financing	121
Applicability of Usury Laws	121
Forfeitures in Drug and RICO Proceedings	122
CERTAIN FEDERAL INCOME TAX CONSEQUENCES	123
General	123
Status of the Offered Certificates	123
Taxation of the Offered Certificates	123
General	123
Original Issue Discount	123
Market Discount	125
Premium	125
Constant Yield Election	126
Sale or Exchange of the Offered Certificates	126
Taxation of Certain Foreign Investors	126
Backup Withholding	126
Reporting and Administrative Matters	126
STATE AND LOCAL TAX CONSIDERATIONS	127
LEGAL INVESTMENT	127

	Page
CERTAIN ERISA CONSIDERATIONS	127
DISTRIBUTION ARRANGEMENTS	128
Price Stabilization	128
Delivery and Settlement	129
Limited Liquidity	129
Selling Restrictions	129
Notice to Canadian Investors	129
RATINGS	130
LEGAL MATTERS	130
INDEX OF SIGNIFICANT DEFINITIONS	131
APPENDIX A The Mortgage Pool as of the Cut-Off Date	A-1
APPENDIX B Diligence Provider's Data Integrity Review Discrepancies	B-1
APPENDIX C Assumed Characteristics of the Mortgage Loans (as of the Cut-Off Date)	C-1
APPENDIX D Selling Restrictions	D-1
APPENDIX E Representations and Warranties	E-1

TRANSACTION SUMMARY

On the Closing Date, Freddie Mac will deposit certain mortgage loans (the **"Mortgage Loans"**) that it previously acquired from the Underlying Sellers into the Freddie Mac Whole Loan Securities Trust, Series 2016-SC01 (the **"Trust"**). The Trust will issue the Class 1-A, Class 2-A, Class M-1, Class M-2, Class B, Class R and Class RS Certificates, and such classes represent interests in the assets of the Trust. Only the classes listed in the table on the cover page (the **"Offered Certificates"**) are offered by this Offering Circular. As described in this Offering Circular, Freddie Mac is guaranteeing the timely interest and ultimate principal distributions on the Offered Certificates. In addition, on the Closing Date, Freddie Mac will retain approximately 5% of the initial Class Principal Amount of each of the Class M-1, Class M-2 and Class B Certificates. While Freddie Mac has no intention to sell, transfer or otherwise dispose of these retained interests, it has no contractual, regulatory or other obligation to hold any Certificates on or after the Closing Date. See *"Description of the Mortgage Loans — Credit Risk Retention"*. See also *"Risk Factors — Governance and Regulation — Legislative or Regulatory Actions Could Adversely Affect Our Business Activities and the Trust"*. The assets of the Trust will consist of the Mortgage Loans, each of which was acquired by Freddie Mac between August 2015 and May 2016, pursuant to the terms of the Freddie Mac *Single-Family Seller/Servicer Guide*, as amended from time to time, (the **"Guide"**) any master agreements, any master commitments, any applicable terms of business (**"TOBs"**) and any servicing provisions (collectively, the **"Purchase Documents"**), as described under *"Summary of Terms — The Mortgage Loans"*. As used herein, the term Purchase Documents refers to the documents used in connection with the purchasing and servicing of the Mortgage Loans as well as all mortgage loans purchased by Freddie Mac and serviced in accordance with its requirements.

Freddie Mac will serve in a number of capacities with respect to the Trust. Freddie Mac will be the Guarantor of the Offered Certificates, Seller, Master Servicer, Master Document Custodian and Trustee. Freddie Mac will guarantee (the **"Guarantee"**) timely interest distributions and ultimate distribution of principal on the Offered Certificates. As the Seller, Freddie Mac will make certain representations and warranties with respect to the Mortgage Loans and will be the only party from which the Trust may seek repurchase of a Mortgage Loan as a result of any Material Breach that provides for repurchase or payment of a Repurchase Indemnification Amount as a remedy.

Freddie Mac, as Master Servicer, will be responsible to the Trust for overseeing all of the servicing activities of the Underlying Servicers in connection with the Mortgage Loans. The Mortgage Loans are required to be serviced in accordance with the Purchase Documents, including the special requirements included in Topic 8600 of the Guide for servicing mortgage loans that Freddie Mac deposits into senior/subordinate securitizations, such as this transaction. The servicing requirements in the Purchase Documents are referred to herein as the **"Servicing Requirements"**. Moreover, certain documents related to each Mortgage Loan will be retained by the document custodians in accordance with Freddie Mac's document custody requirements. The Underlying Servicers will be paid based on the terms set forth in the Guide. Freddie Mac, as Master Servicer, will monitor the Underlying Servicers, which Underlying Servicers will be responsible for implementing and complying with the Servicing Requirements. As the Master Servicer, Freddie Mac will be obligated to advance (i) principal and interest for Mortgage Loans (other than REO Properties) that are less than 180 days delinquent, (ii) as may be required or permitted by future law, regulatory action or policy, any forgiveness amounts granted to mortgagors in connection with a loan modification and (iii) any amounts necessary for the preservation of mortgaged properties acquired by the Trust through foreclosure or a loss mitigation process. Except in certain circumstances, as described herein, Freddie Mac will be entitled to be reimbursed for such advances. Although the document custodians will hold the mortgage loan files, and the Underlying Servicers will service the Mortgage Loans, Freddie Mac, as Master Document Custodian and as Master Servicer, will be accountable to the Trust for the activities of such document custodians and Underlying Servicers. When Freddie Mac acquired the Mortgage Loans, the document custodians confirmed that all requirements regarding the applicable mortgage loan files had been satisfied in accordance with the Purchase Documents. No new review was conducted by the document custodians in connection with this securitization transaction.

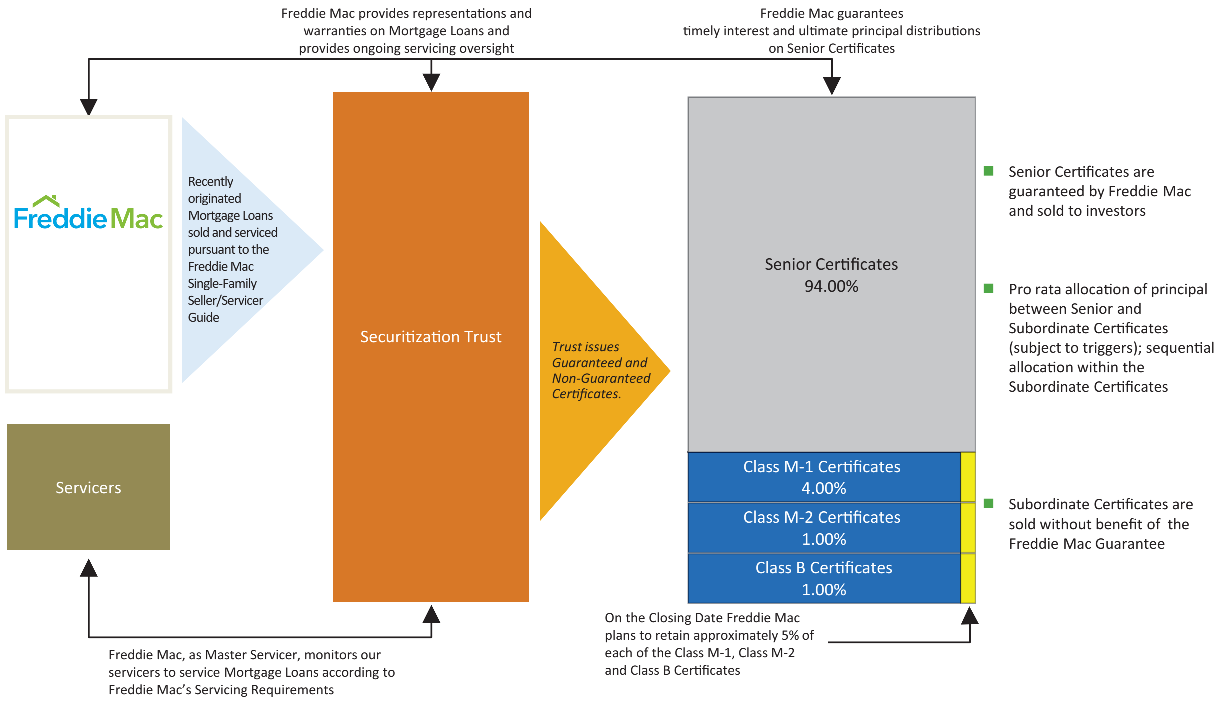
The Trust Agent, an independent third party, will be responsible for managing the representation and warranty review process for any Mortgage Loan that becomes subject to an Initial Review or Final Review. The Trust Agent will be responsible for selecting an Initial Reviewer or Additional Reviewer to review a Mortgage Loan that becomes subject to an Initial Review or Final Review, as applicable. The first time a Breach Review

Trigger is met with respect to each Mortgage Loan, the Initial Reviewer will be appointed to review such Mortgage Loan to determine whether a Material Breach of a representation and warranty exists requiring a repurchase of such Mortgage Loan or payment of a Repurchase Indemnification Amount by the Seller. The cost of such Initial Review will be borne by the Trust. The Seller may review the Mortgage Loan at the same time as the Initial Reviewer. To the extent that the Initial Reviewer concludes that a Mortgage Loan should be repurchased from the Trust by the Seller, but the Seller disagrees, the Seller, at its election, will repurchase the Mortgage Loan, make an indemnification payment in the case of a Liquidated Mortgage Loan or request that the Trust Agent appoint an Additional Reviewer to review the mortgage loan file and make a finding as to whether a Material Breach has occurred. The determination of the Additional Reviewer will be final and binding, with the party (either the Seller or the Trust) that does not prevail paying the Additional Reviewer's fees. In no event will the Trust Agent be required to pay from its own funds the cost of any review of any Mortgage Loan. Notwithstanding the foregoing, the Material Breach determination will be final, without the benefit of an Additional Reviewer, for the first three (3) Mortgage Loans for which the Seller disagrees with the Initial Reviewer's determination that a Material Breach has occurred.

Investors in the Offered Certificates should review and understand all of the information related to the Trust in this Offering Circular and information otherwise made available to such investors prior to investing in the Offered Certificates.

The Class Principal Amounts of the Certificates will be subject to reduction due to the allocation of Realized Losses and/or Certificate Writedown Amounts. However, Freddie Mac guarantees the timely distributions of interest and the ultimate distribution of principal on the Offered Certificates and will (i) make a Guarantor Principal Payment to the extent that any of the Offered Certificates is allocated a Realized Loss or Certificate Writedown Amount and (ii) make a Guarantor Interest Payment if the interest distributed from the Interest Remittance Amounts to the Offered Certificates on any Distribution Date is less than the interest due on the Offered Certificates for such Distribution Date.

Elections will be made to treat applicable portions of the Trust as a "real estate mortgage investment conduit" (a **"REMIC"**) for U.S. federal income tax purposes (each such portion, a **"REMIC Pool"**). Specifically an upper-tier REMIC Pool (**"Upper-Tier REMIC Pool"**) and a lower-tier REMIC Pool (**"Lower-Tier REMIC Pool"**) will be formed for this transaction. As described more fully in this Offering Circular, the Class 1-A Certificates (the **"Pool 1 Certificates"**), the Class 2-A Certificates (the **"Pool 2 Certificates"**) and the Class M-1, Class M-2 and Class B Certificates will constitute "regular interests" in the Upper-Tier REMIC Pool and each of the Class R and Class RS Certificates will constitute the sole class of "residual interests" in the Upper-Tier and Lower-Tier REMIC Pools, respectively. See *"Certain Federal Income Tax Consequences"* herein.


Freddie Mac provides representations and warranties on Mortgage Loans and provides ongoing servicing oversight
Freddie Mac guarantees timely interest and ultimate principal distributions on Senior Certificates
FreddieMac
Recently originated Mortgage Loans sold and serviced pursuant to the Freddie Mac Single-Family Seller/Servicer Guide
Securitization Trust
Trust issues Guaranteed and Non-Guaranteed Certificates.
Senior Certificates
94.00%
Class M-1 Certificates
4.00%
Class M-2 Certificates
1.00%
Class B Certificates
1.00%
Senior Certificates are guaranteed by Freddie Mac and sold to investors
Pro rata allocation of principal between Senior and Subordinate Certificates (subject to triggers); sequential allocation within the Subordinate Certificates
Subordinate Certificates are sold without benefit of the Freddie Mac Guarantee
Servicers
Freddie Mac, as Master Servicer, monitors our servicers to service Mortgage Loans according to Freddie Mac's Servicing Requirements
On the Closing Date Freddie Mac plans to retain approximately 5% of each of the Class M-1, Class M-2 and Class B Certificates

SUMMARY OF TERMS

The following summary does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular and related documents referred to herein. See "Index of Significant Definitions", which appears at the end of this Offering Circular.

Series . . . . Series 2016-SC01.

The Trustee . . . . Freddie Mac will act as trustee (the **"Trustee"**) of the Trust under the Pooling and Servicing Agreement.

The Underlying Sellers and Underlying Servicers . . . . The Underlying Sellers sold the Mortgage Loans to Freddie Mac. The Mortgage Loans were originated pursuant to the terms of the Guide and any applicable TOBs.

Approximately 43.3% of the Mortgage Loans by Stated Principal Balance as of the Cut-Off Date were originated by Caliber Home Loans, Inc. (**"Caliber"**), approximately 38.2% of the Mortgage Loans by Stated Principal Balance as of the Cut-off Date were originated by Quicken Loans, Inc. (**"Quicken"**), approximately 12.6% of the Mortgage Loans by Stated Principal Balance as of the Cut-Off Date were originated by Fremont Bank (**"Fremont"**) and approximately 5.9% of the Mortgage Loans by Stated Principal Balance as of the Cut-Off Date were originated by PHH Mortgage Corporation (**"PHH"**, and together with Caliber, Quicken and Fremont, the **"Underlying Sellers"** and, as of July 1, 2016, the **"Underlying Servicers,"** as the context may require). The Underlying Sellers and Underlying Servicers did not participate in the preparation of this Offering Circular.

The Seller . . . . On the Closing Date, Freddie Mac, as seller (the **"Seller"**), will sell the Mortgage Loans to the Trust and assign all of its interest in the Mortgage Loans to the Trust.

The Master Document Custodian . . . . Freddie Mac will serve as master document custodian (the **"Master Document Custodian"**) under the Pooling and Servicing Agreement and in this capacity is required to maintain custody, through the document custodians, of certain legal documents relating to the Mortgage Loans assigned to the Trust in accordance with the Guide.

The Master Servicer . . . . Freddie Mac will serve as master servicer (the **"Master Servicer"**) under the Pooling and Servicing Agreement and in this capacity is required to monitor and supervise the Underlying Servicers, who are obligated to service the Mortgage Loans in accordance with the Servicing Requirements.

The Guarantor . . . . Freddie Mac will serve as guarantor (the **"Guarantor"**) of the Offered Certificates.

The Issuer . . . . Freddie Mac Whole Loan Securities Trust, Series 2016-SC01 (the **"Issuer"** or the **"Trust"**) will issue the Certificates. The Certificates will represent interests in the assets of the Trust, which will be created under the Pooling and Servicing Agreement, and do not represent any interest in the Seller, the Trustee, the Trust Agent, the Master Servicer, the Master Document Custodian or the Securities Administrator or any other person.

The Trust Agent . . . . Wilmington Trust, National Association will act as trust agent (the **"Trust Agent"**) under the Pooling and Servicing Agreement.

An Initial Reviewer . . . . An independent reviewer (an **"Initial Reviewer"**) selected by the Trust Agent to review any Mortgage Loan that (i) has become 180 days or more delinquent or (ii) prior to becoming 180 days delinquent, has a foreclosure sale, short sale or deed-in-lieu of foreclosure sale completed or has been modified due to mortgagor hardship or by a court of competent jurisdiction (each, a **"Breach Review Trigger"**).

An Additional Reviewer . . . . An independent reviewer (an **"Additional Reviewer"**) selected by the Trust Agent at the request of the Seller to review any Mortgage Loan that has previously been reviewed by an Initial Reviewer.

The Securities Administrator . . . . U.S. Bank National Association (**"U.S. Bank"**) will act as securities administrator (the **"Securities Administrator"**) under the Pooling and Servicing Agreement.

The Underwriters . . . . Merrill Lynch, Pierce, Fenner & Smith Incorporated (**"BofA Merrill Lynch"**), Barclays Capital Inc. (**"Barclays"**), Nomura Securities International, Inc. (**"Nomura"**), Wells Fargo Securities, LLC (**"Wells Fargo Securities"**) and Loop Capital Markets LLC (**"Loop Capital"**) will be the Underwriters of the Offered Certificates.

Certificates:

Senior Certificates, Offered Certificates or Guaranteed Certificates . . . . Class 1-A and Class 2-A Certificates (collectively, the **"Senior Certificates"**, the **"Offered Certificates"** or the **"Guaranteed Certificates"**).

Subordinate Certificates . . . . Class M-1, Class M-2 and Class B Certificates (collectively, the **"Subordinate Certificates"**).

Residual Certificates . . . . Class R and Class RS Certificates (collectively, the **"Residual Certificates"**).

Non-Offered or Non-Guaranteed Certificates . . . . The Subordinate Certificates and the Residual Certificates (collectively, the **"Non-Offered Certificates"** or the **"Non-Guaranteed Certificates"**).

The Trust will issue, but Freddie Mac will not guarantee, the Non-Guaranteed Certificates, which are not offered pursuant to this Offering Circular:

Class	Initial Class Principal Amount[1]	Class Coupon	Expected Rating (Moody's)
Class M-1	$13,935,000	(2)	Baa1 (sf)
Class M-2	3,484,000	(2)	Ba2 (sf)
Class B	3,483,857	(2)	NR
Class R	0	0.0%	NR
Class RS	0	0.0	NR

(1) Approximate. May vary by up to 10%.
(2) The Class Coupon on the Class M-1, Class M-2 and Class B Certificates for any Distribution Date will be a per annum rate equal to the weighted average of the Pool 1 Net WAC and Pool 2 Net WAC for such Distribution Date, weighted based on the product of the aggregate Stated Principal Balance of each Pool as of the preceding Distribution Date multiplied by the Subordinate Percentage for the related Pool for such Distribution Date. The initial Class Coupon for the Class M-1, Class M-2 and Class B Certificates with respect to the first Distribution Date will be 3.882516343% per annum.

Certificate Principal Amount . . . . The **"Certificate Principal Amount"** for any Certificate, other than the Residual Certificates, on any Distribution Date, is the maximum specified dollar amount of principal to which the holders of such Certificate are then entitled, with such amount being equal to the initial principal amount set forth on the face of the Certificate, *minus* (without duplication) (i) the amount of all principal distributions made with respect to that Certificate, (ii) any Realized Losses allocated to that Certificate and (iii) any Certificate Writedown Amounts allocated to that Certificate, *plus* (iv) the amount of any Subsequent Recoveries allocated to that Certificate, each of (i) - (iv) as made or allocated on or prior to such Distribution Date.

Class Principal Amount . . . . The **"Class Principal Amount"** for each Class of Certificates, other than the Residual Certificates, is an amount equal to the aggregate of the Certificate Principal Amounts of all Certificates of that Class as of the date of determination.

Distribution Date . . . . Distributions on the Certificates will be made by the Securities Administrator on the twenty-fifth (25th) day of each month (or, if such day is not a Business Day, then on the next succeeding Business Day) beginning in August 2016 (each, a **"Distribution Date"**).

With respect to the first Distribution Date, all references to the preceding Distribution Date will refer to the Cut-Off Date.

Closing Date . . . . On or about July 26, 2016 (the **"Closing Date"**).

Record Date . . . . For any Distribution Date, the close of business on the last Business Day of the month immediately preceding such Distribution Date (the **"Record Date"**).

Final Scheduled Distribution Date . . . The Distribution Date in July 2046 (the **"Final Scheduled Distribution Date"**), which is the Distribution Date in the month following the latest maturity date on any of the Mortgage Loans as of the Cut-Off Date. The actual final Distribution Date for any Class may be earlier, and could be substantially earlier, than the Final Scheduled Distribution Date.

Optional Termination . . . . The Master Servicer may elect to purchase, at the Termination Price, all of the Mortgage Loans and other assets in the Trust, thereby causing an early termination of the Trust on any Distribution Date on which the aggregate Stated Principal Balance of the Mortgage Loans is less than 1% of the aggregate Stated Principal Balance of the Mortgage Loans as of the Cut-Off Date, subject to the satisfaction of the conditions described in the Pooling and Servicing Agreement (the **"Optional Termination"**).

Mandatory Termination . . . . The Master Servicer is required to purchase, at the Termination Price, all of the Mortgage Loans and other assets in the Trust, thereby causing a termination of the Trust on the Final Scheduled Distribution Date (the **"Mandatory Termination"**).

Maturity Date . . . . This transaction will terminate and the Certificates will no longer be outstanding upon the date (the **"Maturity Date"**) that is the earliest of:

(1) the Distribution Date (the **"Optional Termination Date"**) on which the Master Servicer purchases the Mortgage Loans and other assets in the Trust as a result of exercising its Optional Termination right;

(2) the Final Scheduled Distribution Date; or

(3) the Distribution Date on which the Class Principal Amounts of all Classes of Certificates have been reduced to zero.

Legal Status . . . . **The United States does not guarantee the Certificates or any interest or return of principal on the Certificates. The Certificates are not debts or obligations (or interests in debts or obligations) of the United States or any agency or instrumentality of the United States other than the guarantee obligations of Freddie Mac with respect to the Guaranteed Certificates.**

Form of Certificates . . . . The Offered Certificates will be book-entry Certificates (the **"Book-Entry Certificates"**) and will be held through the book-entry system of DTC, and, as applicable, Euroclear and Clearstream. The Offered Certificates will be available in fully-registered form (**"Definitive Certificates"**) only in the limited circumstances disclosed under *"Description of the Certificates — Form, Registration and Transfer of the Certificates"*.

Due Period . . . . For any Distribution Date, the period (the **"Due Period"**) from and including the 16th calendar day of the month immediately preceding the month in which such Distribution Date occurs to and including the 15th calendar day of the month in which such Distribution Date occurs.

Curtailment Period . . . . For any Distribution Date, the period (the **"Curtailment Period"**) from and including the 16th calendar day of the second month preceding the month in which such Distribution Date occurs to and including the 15th calendar day of the month immediately preceding the month in which such Distribution Date occurs.

Prepayment in Full Period . . . . For any Distribution Date, the period (the **"Prepayment in Full Period"**) from and including the 11th calendar day of the month immediately preceding the month in which such Distribution Date occurs to and including the 10th calendar day of the month in which such Distribution Date occurs; provided, however, for the first Distribution Date, the Prepayment in Full Period will be from and including July 5, 2016 to and including the 10th calendar day of the month in which such first Distribution Date occurs.

Modification Period . . . . For any Distribution Date, the month immediately preceding the month in which such Distribution Date occurs (the **"Modification Period"**).

Loss Period . . . . For any Distribution Date, the month immediately preceding the month in which such Distribution Date occurs (the **"Loss Period"**).

Delinquency Determination Date . . . . For any Distribution Date, the close of business on the last day of the most recent month for which the Master Servicer has received Mortgage Loan delinquency data from an Underlying Servicer and completed its review (the **"Delinquency Determination Date"**). However, in no case will the Delinquency Determination Date be earlier than the last day of the second month preceding such Distribution Date.

In the event Freddie Mac's operational processes or timelines are revised for mortgage loans serviced in accordance with the Guide, Freddie Mac may revise the dates used to determine the Due Period, the Curtailment Period, the Prepayment in Full Period, the Modification Period, the Loss Period or the Delinquency Determination Date (collectively, the "**Reporting Periods**") after providing 60 days' written notice to the Securities Administrator and Certificateholders of such revision.

Certificates Acquired by Freddie Mac . . . . Freddie Mac may, from time to time, purchase or otherwise acquire some or all of any Class of Certificates at any price or prices, in the open market or otherwise.

Certain Relationships and Affiliations

Freddie Mac is the Seller, Master Servicer, Master Document Custodian and Trustee in this transaction. Further, as Guarantor, we guarantee the timely distributions of interest and the ultimate distribution of principal on the Offered Certificates. These roles and our relationships with the Underlying Sellers, Underlying Servicers and document custodians may give rise to conflicts of interest as further described in this Offering Circular under *"Risk Factors — The Interests of Freddie Mac, the Underwriters and Others May Conflict With and be Adverse to the Interests of the Certificateholders — Interests of Freddie Mac May Not Be Aligned With the Interests of the Certificateholders*".

Interest

The Offered Certificates bear interest at the applicable per annum interest rates (each, a **"Class Coupon"**) shown on the front cover.

The "**Accrual Period**" with respect to each Distribution Date is the month immediately preceding the month in which such Distribution Date occurs.

The amount of interest that will accrue on a given Class of Certificates during each Accrual Period is equal to:

- the Class Coupon for such Class of Certificates for such period (calculated using the Class Coupon formula as described above, if applicable), multiplied by
- the Class Principal Amount of such Class of Certificates immediately prior to such Distribution Date, multiplied by
- a fraction, the numerator of which is 30 and the denominator of which is 360.

Interest on the Certificates will be distributable monthly on each Distribution Date from the Interest Remittance Amounts commencing in August 2016.

See "*Description of the Certificates — Interest*".

Interest Remittance Amount

On each Distribution Date, each Class of the Offered Certificates will be entitled to the Interest Distribution Amount for that Class on that Distribution Date, which will be allocated from the Interest Remittance Amounts. If the interest distributed from the Interest Remittance Amounts to the Offered Certificates on any Distribution Date is less than the Interest Distribution Amount for such Distribution Date, the Guarantor will be required to remit a Guarantor Interest Payment in an amount equal to the aggregate Interest Deficiency Amount to cover such shortfall.

Distributions of Interest

On each Distribution Date, the Interest Remittance Amount for each Pool will be distributed in the following order of priority:

First, concurrently,

- from the Interest Remittance Amount for Pool 1, to the Class 1-A Certificates, in an amount equal to such Class's Interest Distribution Amount; and
- from the Interest Remittance Amount for Pool 2, to the Class 2-A Certificates, in an amount equal to such Class's Interest Distribution Amount;

Second, concurrently,

- from the Interest Remittance Amount for Pool 1, to the Class 2-A Certificates, in an amount equal to such Class's Interest Distribution Amount in excess of the amount distributed to such Class in priority *First* above from the Interest Remittance Amount from Pool 2 for such Distribution Date; and
- from the Interest Remittance Amount for Pool 2, to the Class 1-A Certificates, in an amount equal to such Class's Interest Distribution Amount in excess of the amount distributed to such Class in priority *First* above from the Interest Remittance Amount from Pool 1 for such Distribution Date;

Third, to the Guarantor, to repay any unreimbursed Guarantor Interest Payments for any prior Distribution Date;

Fourth, to the Class M-1 Certificates, an amount up to its applicable Interest Distribution Amount for such Distribution Date;

Fifth, to the Class M-2 Certificates, an amount up to its applicable Interest Distribution Amount for such Distribution Date;

Sixth, to the Class B Certificates, an amount up to its applicable Interest Distribution Amount for such Distribution Date;

Seventh, to the Master Servicer, the Securities Administrator, the Seller, the Trustee, the Master Document Custodian and the Trust Agent, in proportion to their respective unpaid Excess Expenses as of the preceding Distribution Date, an amount up to their respective unpaid Excess Expenses;

Eighth, to the Guarantor to repay any unreimbursed Guarantor Principal Payments for any prior Distribution Date;

Ninth, to the Class M-1, Class M-2 and Class B Certificates, sequentially, in that order, to reimburse any previously allocated Realized Losses and cumulative Certificate Writedown Amounts; and

Tenth, to the Residual Certificates.

With respect to any Distribution Date, Freddie Mac, as Guarantor, will be required to remit to the Trust, a Guarantor Interest Payment, if any, for distribution to each Class of Guaranteed Certificates equal to the Interest Deficiency Amount for such Class.

As described under "*Description of the Certificates — Modifications and Expenses*", certain scheduled principal payments on the Mortgage Loans may be included in the Interest Remittance Amount and distributed in accordance with the priorities above, thereby reducing or eliminating interest shortfalls to Certificates (other than the Class B Certificates) resulting from interest modifications or reimbursement of Expenses.

Principal

On each Distribution Date, the Trust will distribute principal to the applicable Classes of Certificates from the applicable Principal Remittance Amounts.

Principal Remittance Amount

On each Distribution Date, each Class of the Offered Certificates will be entitled to the Senior Principal Distribution Amount for that Class on that Distribution Date, which will be allocated from the applicable Principal Remittance Amount.

Distributions of Principal

On each Distribution Date, the Principal Remittance Amount for each Pool will be distributed in the following order of priority:

First, to the Guarantor, as follows:

1. Concurrently:
    - from the Principal Remittance Amount for Pool 1, the amount of any Subsequent Recoveries for Pool 1, until any Guarantor Principal Payments made with respect to the Class 1-A Certificates are fully reimbursed; and
    - from the Principal Remittance Amount for Pool 2, the amount of any Subsequent Recoveries for Pool 2, until any Guarantor Principal Payments made with respect to the Class 2-A Certificates are fully reimbursed;
2. From the Principal Remittance Amount for Pool 1 or Pool 2, the amount of any remaining Subsequent Recoveries for Pool 1 or Pool 2, respectively, until any Guarantor Principal Payments are fully reimbursed;

Second, concurrently,

- from the Principal Remittance Amount for Pool 1, to the Class 2-A Certificates, the amount by which the Class Principal Amount of the Class 2-A Certificates as of the preceding Distribution Date exceeds the aggregate Stated Principal Balance of the Pool 2 Mortgage Loans as of the preceding Distribution Date (the **"Pool 2 Undercollateralized Amount"**), until the Class Principal Amount of such Class has been reduced to zero; and

- from the Principal Remittance Amount for Pool 2, to the Class 1-A Certificates, the amount by which the Class Principal Amount of the Class 1-A Certificates as of the preceding Distribution Date exceeds the aggregate Stated Principal Balance of the Pool 1 Mortgage Loans as of the preceding Distribution Date (the "**Pool 1 Undercollateralized Amount**"), until the Class Principal Amount of such Class has been reduced to zero;

Third, concurrently,

- from the Principal Remittance Amount for Pool 1, to the Class 1-A Certificates, the Senior Principal Distribution Amount for Pool 1, until the Class Principal Amount of such Class has been reduced to zero; and
- from the Principal Remittance Amount for Pool 2, to the Class 2-A Certificates, the Senior Principal Distribution Amount for Pool 2, until the Class Principal Amount of such Class has been reduced to zero;

Fourth, concurrently,

- from the Principal Remittance Amount for Pool 1, to the Class 2-A Certificates, the remaining Senior Principal Distribution Amount for Pool 1 until the Class Principal Amount of such Class has been reduced to zero; and
- from the Principal Remittance Amount for Pool 2, to the Class 1-A Certificates, the remaining Senior Principal Distribution Amount for Pool 2 until the Class Principal Amount of such Class has been reduced to zero;

Fifth, to the Guarantor, to repay any unreimbursed Guarantor Principal Payments for any prior Distribution Date;

Sixth, to the Class M-1 Certificates, until the Class Principal Amount of such Class has been reduced to zero;

Seventh, to the Class M-2 Certificates, until the Class Principal Amount of such Class has been reduced to zero; and

Eighth, to the Class B Certificates, until the Class Principal Amount of such Class has been reduced to zero.

Reductions in Class Principal Amount of the Classes of Certificates

On each Distribution Date, including the Maturity Date, the Class Principal Amount of each Class of Certificates will be reduced, without duplication, by the amount of all principal distributions made with respect to that Class of Certificates and any Realized Losses and any Certificate Writedown Amounts allocated to that Class of Certificates. See *"Description of the Certificates — Principal — Allocation of Principal Remittance Amount", "— Reductions in Class Principal Amounts Due to Allocation of Realized Losses"* and *"— Reductions in Class Principal Amounts Due to Allocation of Certificate Writedown Amounts"*.

To the extent the Class 1-A or Class 2-A Certificates are allocated Realized Losses or Certificate Writedown Amounts, the Guarantor is required to make a payment (each, a **"Guarantor Principal Payment"**) to the Trust in the amount of the related Certificate Realized Losses or Certificate Writedown Amounts that resulted in the reduction of the Class Principal Amount of the Class 1-A or Class 2-A Certificates, as applicable.

Increases in Class Principal Amount of the Classes of Certificates

On each Distribution Date, including the Maturity Date, any amount recovered (whether from the mortgagor, insurance providers, the Seller or otherwise) or adjustment made during the related Loss Period with respect to any Mortgage Loan for which a Realized Loss was determined on a prior Distribution Date, such that

the cumulative Realized Loss for such Mortgage Loan is reduced, will be treated as a **"Subsequent Recovery"**. Subsequent Recoveries will be allocated as described under *"Description of the Certificates — Principal — Increases in Class Principal Amount Due to Allocation of Subsequent Recoveries"*.

Principal Distribution on the Maturity Date

On the Maturity Date, the Trust will pay 100% of the outstanding Class Principal Amount as of such date for each Class of Offered Certificates, either through allocation of the Principal Remittance Amount or a Guarantor Principal Payment.

Fees and Expenses

Before an Underlying Servicer remits to Freddie Mac (in its role as Master Servicer) amounts owed to the Trust with respect to the Mortgage Loans, such Underlying Servicer will be entitled to retain from interest collections on the related Mortgage Loans a monthly fee, calculated as provided in the Pooling and Servicing Agreement, equal to one-twelfth of 0.25% multiplied by the unpaid principal balance of the Mortgage Loans serviced by such Underlying Servicer (excluding from the balance any amounts that are not accruing interest due to principal forbearance).

On each Distribution Date, the Master Servicer will be paid an amount (the **"Master Servicing Fee"**) equal to the product of (i) 0.02% (the **"Master Servicing Fee Rate"**), (ii) the aggregate Stated Principal Balance of the Mortgage Loans as of the preceding Distribution Date and (iii) one-twelfth. In addition, the Master Servicer will be entitled to certain compensatory fees assessed against the Underlying Servicers that are not deemed to be Repurchase Alternatives and the portion of Repurchase Alternative proceeds received that are intended to compensate Freddie Mac for losses it suffers.

On each Distribution Date, the Guarantor will be paid a monthly amount (the **"Guarantee Fee"**) equal to the sum of (a) one-twelfth of the Pool 1 Guarantee Fee Rate multiplied by the Class Principal Amount of the Class 1-A Certificates as of the preceding Distribution Date and (b) one-twelfth of the Pool 2 Guarantee Fee Rate multiplied by the Class Principal Amount of the Class 2-A Certificates as of the preceding Distribution Date.

On each Distribution Date, the Securities Administrator will be paid an amount (the **"Securities Administrator Fee"**) equal to the product of (i) 0.028% (the **"Securities Administrator Fee Rate"**), (ii) the aggregate Stated Principal Balance of the Mortgage Loans as of the preceding Distribution Date and (iii) one-twelfth.

On each Distribution Date, the Trust Agent will be paid an amount (the **"Trust Agent Fee"**) equal to the product of (i) 0.0035% (the **"Trust Agent Fee Rate"**), (ii) the aggregate Stated Principal Balance of the Mortgage Loans as of the preceding Distribution Date and (iii) one-twelfth.

The Mortgage Loans

On the Closing Date, the assets of the Trust will consist of the Mortgage Loans, which are first lien, one- to four-unit, fixed-rate, super-conforming loans that as of July 1, 2016 (the **"Cut-Off Date"**) had an aggregate Stated Principal Balance of $348,375,857.31. The Mortgage Loans were acquired by Freddie Mac between August 2015 and May 2016. A due diligence review was performed on certain of the Mortgage Loans as described under "*General Mortgage Loan Purchase and Servicing — Due Diligence Review*". The Mortgage Loans will be divided into two Pools.

Pool	Number of Mortgage Loans	Aggregate Stated Principal Balance as of the Cut-Off Date	Maximum Original Years to Maturity
1	309	$161,325,570.96	30
2	352	187,050,286.35	30

Each of the Mortgage Loans in the Mortgage Pool:

(a) is a fully amortizing, fixed-rate, one- to four-unit, first lien Mortgage Loan, which has an original term of 25 to 30 years;

(b) was originated on or after June 26, 2015;

(c) has a mortgage rate between 3.250% and 5.200%;

(d) has not been prepaid in full as of July 4, 2016, based on information reported to Freddie Mac as of July 5, 2016;

(e) as of June 30, 2016, has never been reported to be 30 days or more delinquent more than one time since purchase by Freddie Mac; and

(f) was originated with documentation as described under *"General Mortgage Loan Purchase and Servicing — Underwriting Standards — Documentation"*.

We expect the Mortgage Loans to have the approximate characteristics set forth below as of the Cut-Off Date. Whenever reference is made in this Offering Circular to the characteristics of the Mortgage Loans or to a percentage or weighted average of the Mortgage Loans, unless otherwise noted, that reference is based on the aggregate Stated Principal Balance of the Mortgage Loans as of the Cut-Off Date.

The figures below are approximate and may not correspond exactly to the related figures in Appendix A due to rounding differences.

Aggregate
Selected Mortgage Loan Data as of the Cut-Off Date

	Range or Total	Average or Weighted Average
Number of Mortgage Loans	661	—
Aggregate Original Principal Balance	$352,241,864.97	—
Original Principal Balance	$420,575.00 to $1,050,000.00	$532,892.38
Aggregate Stated Principal Balance	$348,375,857.31	—
Stated Principal Balance	$292,214.46 to $1,035,621.93	$527,043.66
Interest Rate	3.250% to 5.200%	4.184%
Remaining Term to Maturity (months)	296 to 359	353
Original Term to Maturity (months)	300 to 360	360
Loan Age (months)	2 to 12	6
Original Loan-to-Value Ratio	18% to 80%	69%
Original Combined Loan-to-Value Ratio	18% to 90%	70%
Original Debt-to-Income Ratio	7% to 50%	36%
Original Credit Score	631 to 822	748
Latest Maturity Date	June 2046	—

Top Five Geographic Concentration of Mortgaged Properties — Aggregate

California	62.11%
Washington	12.40%
New Jersey	6.85%
New York	4.66%
District of Columbia	4.37%
Maximum Three-Digit Zip Code Concentration	10.61%

Pool 1
Selected Mortgage Loan Data as of the Cut-Off Date

	Range or Total	Average or Weighted Average
Number of Mortgage Loans	309	—
Aggregate Original Principal Balance	$163,087,129.00	—
Original Principal Balance	$425,000.00 to $625,500.00	$527,790.06
Aggregate Stated Principal Balance	$161,325,570.96	—
Stated Principal Balance	$292,214.46 to $623,734.33	$522,089.23
Interest Rate	3.250% to 4.125%	3.963%
Remaining Term to Maturity (months)	296 to 359	354
Original Term to Maturity (months)	300 to 360	360
Loan Age (months)	2 to 12	6
Original Loan-to-Value Ratio	18% to 80%	68%
Original Combined Loan-to-Value Ratio	18% to 90%	69%
Original Debt-to-Income Ratio	7% to 50%	36%
Original Credit Score	634 to 816	759
Latest Maturity Date	June 2046	—

Top Five Geographic Concentration of Mortgaged Properties — Pool 1

California	59.91%
Washington	11.61%
New Jersey	9.99%
District of Columbia	4.74%
Virginia	4.27%
Maximum Three-Digit Zip Code Concentration	11.11%

Pool 2
Selected Mortgage Loan Data as of the Cut-Off Date

	Range or Total	Average or Weighted Average
Number of Mortgage Loans	352	—
Aggregate Original Principal Balance	$189,154,735.97	—
Original Principal Balance	$420,575.00 to $1,050,000.00	537,371.41
Aggregate Stated Principal Balance	$187,050,286.35	—
Stated Principal Balance	$413,041.51 to $1,035,621.93	531,392.86
Interest Rate	4.180% to 5.200%	4.375%
Remaining Term to Maturity (months)	348 to 358	353
Original Term to Maturity (months)	360	360
Loan Age (months)	2 to 12	7
Original Loan-to-Value Ratio	27% to 80%	69%
Original Combined Loan-to-Value Ratio	27% to 90%	70%
Original Debt-to-Income Ratio	10% to 50%	37%
Original Credit Score	631 to 822	738
Latest Maturity Date	May 2046	—

Top Five Geographic Concentration of Mortgaged Properties — Pool 2

California	64.01%
Washington	13.07%
New York	6.02%
New Jersey	4.14%
District of Columbia	4.06%
Maximum Three-Digit Zip Code Concentration	10.19%

The characteristics of the Mortgage Loans in the Trust will change from time to time to reflect subsequent payments, prepayments and Realized Losses with respect to the Mortgage Loans. In addition, the characteristics of the Mortgage Pools may change because after the issuance of the Certificates, Mortgage Loans will be removed from the Trust because (i) a Mortgage Loan is liquidated; (ii) a Mortgage Loan is paid in full; (iii) a Mortgage Loan is repurchased (a) after a determination that a representation or warranty given with respect to such Mortgage Loan on the Closing Date was breached and such breach materially and adversely affects the value of such Mortgage Loan or the interests of the Trust (a **"Material Breach"**), (b) by the Seller, in its sole discretion, in conjunction with its oversight of the Underlying Sellers and Underlying Servicers in accordance with the Guide, provided such Mortgage Loan is at least 90 days delinquent, whether or not a Material Breach is found to exist with respect to such Mortgage Loan, or (c) as a result of the Seller's exercise of its right, in its sole discretion, to repurchase any Mortgage Loan that an Underlying Seller or Underlying Servicer is required to repurchase as a remedy for a violation of the Guide or other applicable Seller or Servicer requirements, whether or not a Material Breach is found to exist with respect to such Mortgage Loan, so long as such Underlying Seller or Underlying Servicer has agreed to repurchase such Mortgage Loan from the Seller; or (iv) a Mortgage Loan is seized pursuant to any special eminent domain proceeding brought by any federal, state or local government instrumentality with the intent to provide relief to financially-distressed mortgagors with negative equity in the underlying mortgaged property. Mortgage Loans will not be removed from the Trust solely due to a modification completed in accordance with the Servicing Requirements.

See *"Description of the Certificates"* for a description of how removals of Mortgage Loans impact the Certificates. See "*General Mortgage Loan Purchase and Servicing — Freddie Mac Quality Control Process"* for a description of how underwriting defects may be discovered through Freddie Mac's quality control processes or through a third party review.

As these changes occur, they may materially alter the characteristics of the Mortgage Loans shown above and the weighted average lives and yields to maturity of the Certificates.

Additional information with respect to the Mortgage Loans appears under *"Description of the Mortgage Loans"* and in Appendix A.

Mortgage Loan Representations and Warranties

The Seller will make certain representations and warranties concerning the Mortgage Loans to the Trust, as described in Appendix E. With respect to representations and warranties that are made to the best of the Seller's knowledge or as to which the Seller has no knowledge, if it is discovered that the substance of any such representation or warranty is inaccurate and such inaccuracy is determined to constitute a Material Breach as described herein, then notwithstanding the Seller's lack of knowledge with respect to the substance of such representation or warranty being inaccurate at the time such representation or warranty was made, such inaccuracy will be deemed to be a Material Breach. Following a Breach Review Trigger with respect to a Mortgage Loan, the Trust Agent is required to appoint an Initial Reviewer to review such Mortgage Loan to determine whether any representation or warranty made by the Seller with respect to such Mortgage Loan that is in effect suffered a Material Breach. The Trust (and therefore the Certificates) will bear the cost of this initial review (the **"Initial Review"**). In the event that the Initial Reviewer determines that such a Material Breach has occurred, the Seller, under certain circumstances, may request an Additional Reviewer to perform a final and binding review on the Mortgage Loan (the **"Final Review"**). The Seller will be required to repurchase the affected Mortgage Loan from the Trust (or make an indemnification payment in the case of a Liquidated Mortgage Loan) in the event that a determination is made in the Final Review that a Material Breach exists with respect to a Mortgage Loan. The determination of the Additional Reviewer will be final and binding. The party (either the Seller or the Trust) that does not prevail in the Final Review is required to pay all of the expenses associated with the Final Review. However, the Material Breach determination will be final, without the benefit of an Additional Reviewer, for the first three (3) Mortgage Loans for which the Seller disagrees with the Initial Reviewer's determination that a Material Breach has occurred.

Sunset of Representations and Warranties

Certain representations and warranties relating to (i) the underwriting of the related mortgagor (including loan terms, credit history, employment, income and assets and other financial information used for qualifying the

mortgagor), (ii) the underwriting of the related mortgaged property (*e.g.*, the description and valuation of the mortgaged property) or (iii) the underwriting of the project in which the related mortgaged property is located (*e.g.*, a planned unit development (**"PUD"**) or condominium project), will no longer be in effect and, therefore, the Seller will not be obligated to repurchase such Mortgage Loan (or make an indemnification payment in the case of a Liquidated Mortgage Loan) in the event of a Material Breach of any such representations and warranties, if the related mortgagor meets each of the following conditions:

- the mortgagor made the first 36 monthly payments due after the date the Mortgage Loan was deposited into the Trust with no more than two 30-day delinquencies and no 60-day or greater delinquencies; and
- the mortgagor is not 30 or more days delinquent with respect to the 36th monthly payment after such Mortgage Loan is deposited into the Trust.

To the extent a mortgagor fails to satisfy the above-referenced conditions, the representations and warranties made by Freddie Mac as Seller will remain in effect for the life of the Mortgage Loan and the Seller will be obligated to repurchase the Mortgage Loan (or make an indemnification payment in the case of a Liquidated Mortgage Loan) for a Material Breach of any such representations and warranties. Notwithstanding the mortgagor's satisfaction of both conditions above, representations and warranties pertaining to compliance with laws, the Freddie Mac Act, lien priority, misrepresentations or misstatements by the applicable Underlying Seller or Underlying Servicer, and systemic fraud will remain in effect and the Trust will continue to have recourse to the Seller for breaches of any such representations and warranties.

Repurchases of Mortgage Loans

The Seller has the right, exercisable in its sole discretion, to repurchase any Mortgage Loan that is at least 90 days delinquent, whether or not a Material Breach is found to exist with respect to such Mortgage Loan. In addition, in conjunction with its oversight of the Underlying Sellers and Underlying Servicers in accordance with the Guide, the Seller has the right, exercisable in its sole discretion, to repurchase any Mortgage Loan that an Underlying Seller or Underlying Servicer is required to repurchase as a remedy for a violation of the Guide or other applicable Seller or Servicer requirements, whether or not a Material Breach is found to exist with respect to such Mortgage Loan, so long as such Underlying Seller or Underlying Servicer has agreed to repurchase such Mortgage Loan from the Seller. Any such repurchases will be at the Repurchase Price, or if such Mortgage Loan is a Liquidated Mortgage Loan, at a price equal to the Repurchase Indemnification Amount, and will have the same effect as a prepayment in full of the related Mortgage Loan.

Mortgage Loan Servicing

Freddie Mac is the Master Servicer under the Pooling and Servicing Agreement and retains control of the servicing of the Mortgage Loans in the Trust. As of the Closing Date, all of the Mortgage Loans will be serviced by various Underlying Servicers in accordance with the Servicing Requirements. As the Master Servicer, we generally will supervise and monitor each Underlying Servicer's overall servicing performance and compliance with the Servicing Requirements. On each Distribution Date, the Master Servicer is required to make or cause to be made (i) principal and interest advances on delinquent Mortgage Loans for Mortgage Loans that are less than 180 days delinquent as of the applicable Delinquency Determination Date, (ii) certain servicing advances pursuant to the terms of the Pooling and Servicing Agreement and (iii) any Forgiveness Advances as may be required or permitted under law, regulatory action or policy in the future.

On each Master Servicer Remittance Date, the Master Servicer is required to forward, advance or pay for each Mortgage Loan that is not a Stop Advance Loan, interest equal to one-twelfth of the Trust Mortgage Rate multiplied by the Stated Principal Balance of such Mortgage Loan as of the preceding Distribution Date. Such interest will be calculated without regard to curtailments, prepayments in full, or reinstatements made by any mortgagor during the Curtailment Period or the Prepayment in Full Period, as applicable. With respect to any Mortgage Loan, interest due from the Master Servicer to the Trust in excess of interest received from the mortgagor or Underlying Servicer arising from curtailments, prepayments in full or reinstatements (**"Compensating Interest"**) will not be reimbursable to the Master Servicer. Conversely, interest received on a Mortgage Loan from a mortgagor or an Underlying Servicer in excess of interest due from the Master Servicer

arising from a Mortgage Loan having a higher unpaid principal balance relative to its Stated Principal Balance will be retained by the Master Servicer and will be a permitted withdrawal from the Collection Account.

Prepayment and Yield Considerations

The yield to maturity on the Offered Certificates will be sensitive to the rate and timing of principal payments (which will be affected by prepayments, modifications and Realized Losses on the applicable Mortgage Loans). As a result, the yield on the Offered Certificates may fluctuate significantly:

- In general, if investors purchased Offered Certificates at a premium and principal payments occur at a rate faster than such investors assumed, such investors' actual yield to maturity will be lower than anticipated and such investors may not even recover their investment in the Offered Certificates.
- Conversely, if investors purchased Offered Certificates at a discount, and principal payments occur at a rate slower than such investors assumed, such investors' actual yield to maturity will be lower than anticipated.

The Guarantor is required to remit to the Trust (i) the Guarantor Interest Payments for distribution to the Offered Certificates and (ii) the Guarantor Principal Payments for distribution to the Offered Certificates to the extent Realized Losses or Certificate Writedown Amounts are allocated to reduce the Class Principal Amounts of the Offered Certificates.

Because the Mortgage Loans may be prepaid at any time, it is not possible to predict the rate at which investors will receive distributions of principal.

See *"Prepayment and Yield Considerations"*.

United States Federal Tax Consequences

We will elect to treat each REMIC Pool as a REMIC under the Internal Revenue Code of 1986, as amended (the **"Code"**). The Offered Certificates (along with the Class M-1, Class M-2 and Class B Certificates) constitute "regular interests" in the Upper-Tier REMIC Pool and each of the Class R and Class RS Certificates constitute the "residual interest" in the Upper-Tier REMIC Pool and the Lower-Tier REMIC Pool, respectively. In general, regular interests in a REMIC are taxed as debt instruments for U.S. federal income tax purposes under the Code.

See *"Certain Federal Income Tax Consequences"* for additional information.

Legal Investment

To the extent that the investment activities of investors are subject to investment laws and regulations, regulatory capital requirements or review by regulatory authorities, such investors may be subject to restrictions on investment in the Offered Certificates. Prospective investors should consult their legal, tax and accounting advisers for assistance in determining the suitability of and consequences to them of the purchase, ownership and sale of the Offered Certificates. See *"Legal Investment"* for additional information.

ERISA Considerations

Fiduciaries or other persons acting on behalf of or using the assets of (i) any employee benefit plan or arrangement, including an individual retirement account (an **"IRA"**), subject to the Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**), Section 4975 of the Code, or any foreign, United States federal, state or local law which is similar to ERISA or Section 4975 of the Code (**"Similar Law"**) or (ii) an entity which is deemed to hold the assets of such plan (each, a **"Plan"**), should carefully review with their legal advisors whether the purchase or holding of an Offered Certificate could give rise to a transaction prohibited or not otherwise permissible under ERISA, the Code or Similar Law.

Subject to the considerations and conditions described under *"Certain ERISA Considerations"*, it is expected that the Offered Certificates may be acquired by Plans or persons acting on behalf of, using the assets of or deemed to hold the assets of a Plan. See *"Certain ERISA Considerations"*.

Ratings

It is a condition to the issuance of the Certificates that the Class M-1 and Class M-2 Certificates (collectively, the **"Rated Certificates"**) receive from Moody's Investors Service, Inc. (**"Moody's"** or the **"Rating Agency"**) the ratings identified for such Certificates on page 6 of this Offering Circular. The Senior Certificates, the Class B Certificates and the Residual Certificates will not be rated by the Rating Agency. See *"Ratings"*. The ratings assigned to the Rated Certificates will be subject to ongoing monitoring, upgrades, downgrades, withdrawals and surveillance by the Rating Agency after the date of issuance of such Certificates.

The ratings address the likelihood of the timely receipt of payments of interest to which the Holders of the Rated Certificates are entitled and the ultimate payment of principal by the Maturity Date. The ratings of the Rated Certificates should be evaluated independently from similar ratings on other types of securities. The ratings are not a recommendation to buy, sell or hold the Rated Certificates and may be subject to revision or withdrawal at any time by the Rating Agency.

In addition, the ratings do not address: (i) the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) on the Mortgage Loans and their impact on interest payments or the degree to which such prepayments might differ from those originally anticipated, (ii) the possibility that a Certificateholder might suffer a lower than anticipated yield, (iii) the tax treatment of the Rated Certificates or the effect of taxes on the payments received, (iv) the likelihood or willingness of the parties to the respective agreements to meet their contractual obligations or the likelihood or willingness of any party or court to enforce, or hold enforceable, the agreements in whole or in part, (v) an assessment of the yield to maturity that investors may experience, or (vi) other non-credit risks, including, without limitation, market risks or liquidity.

The ratings take into consideration certain credit risks with respect to the Mortgage Loans. However, as noted above, the ratings do not represent an assessment of the likelihood, timing or frequency of principal prepayments (both voluntary and involuntary) on the Mortgage Loans, or the degree to which such prepayments might differ from those originally anticipated. In general, the ratings address credit risk and not prepayment risk. In addition, the ratings do not represent an assessment of the yield to maturity that investors may experience in the event of Realized Losses or rapid prepayments on the Mortgage Loans (including both voluntary and involuntary prepayments) or the impact of modifications on the Mortgage Loans, other than as described herein.

Other NRSROs that we have not engaged to rate the Rated Certificates may issue unsolicited credit ratings or provide commentary on one or more Classes of the Certificates, relying on information they receive pursuant to Rule 17g-5 or otherwise. If any such unsolicited ratings are issued, we cannot assure you that they will not be different from the ratings assigned by the Rating Agency, and if lower than the Rating Agency's ratings, whether such unsolicited ratings will have an adverse impact on the liquidity, market value and regulatory characteristics of such Certificates. Further, a determination by the SEC that the Rating Agency no longer qualifies as an NRSRO or is no longer qualified to rate the Rated Certificates, could adversely affect the liquidity, market value and regulatory characteristics of the Rated Certificates. See "*Risk Factors — Investment Factors and Risks Related to the Certificates — A Reduction, Withdrawal or Qualification of the Ratings on the Rated Certificates, or the Issuance of an Unsolicited Rating on the Rated Certificates, May Adversely Affect the Market Value of Those Certificates and/or Limit an Investor's Ability to Resell Those Certificates"* and "*— The Ratings on the Rated Certificates May Not Reflect All Risks"*.

Investment Company Act

The Trust has not been registered and will not be registered with the Securities and Exchange Commission (the **"SEC"**) as an investment company pursuant to the Investment Company Act, in reliance on the exception provided in Section 3(c)(5)(C) of the Investment Company Act, although other exceptions may be applicable. The Trust has been structured with the intent that it not constitute a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Wall Street Reform and Consumer Protection Act. See *"Risk Factors — Governance and Regulation — Risks Associated with the Investment Company Act"*.

RISK FACTORS

General

Prospective investors should carefully consider the risk factors discussed below in conjunction with and in addition to the other information contained in this Offering Circular before making an investment in the Offered Certificates. Although Freddie Mac guarantees timely distributions of interest and ultimate distribution of principal on the Offered Certificates, the Offered Certificates may suffer losses despite the Guarantee since Guarantor Principal Payments will have the same effect as prepayments on the related Class or Classes of Offered Certificates (as applicable) and accordingly may impact the yield on any Class of Offered Certificates. Further, while any Realized Losses and Certificate Writedown Amounts allocated to the Offered Certificates will be covered by the Guarantee, if a Guarantor Nonpayment Event exists, the Offered Certificates could also suffer losses due to the risks described below. In particular, prospective investors in the Offered Certificates should be aware that:

- The risks and uncertainties described below are not the only ones relating to the Offered Certificates. Additional risks and uncertainties not presently known or that are currently deemed immaterial also may impair an investment in the Offered Certificates. If any of the following risks actually occur, an investment in the Offered Certificates could be materially and adversely affected.
- This Offering Circular contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular.
- The yield on the Certificates could be lower than expected if such Certificates are purchased at a premium over their principal amount and principal payments on the Mortgage Loans occur faster than expected.
- Each prospective investor is responsible for determining whether the Offered Certificates constitute a legal investment for such prospective investor.
- If your investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities, then you may be subject to restrictions on investment in the Offered Certificates.
- Prospective investors should not purchase any Offered Certificates unless they understand, and are able to bear, the prepayment, credit, liquidity, market and other risks associated with the Offered Certificates.

Risks Relating to the Mortgage Loans

The Economic Conditions Experienced in 2007 and Subsequent Years Significantly and Adversely Affected the Mortgage Market and Caused Significant and Unexpected Deterioration in the Value of, and Greater Volatility with Respect to, Mortgage Loans and Mortgage Securities, Including Mortgage Securities Similar to the Certificates

As a result of various factors, including a deterioration in general economic conditions and significant deteriorations in housing prices and employment conditions in many regions, the value of many mortgage loans and mortgage securities dropped significantly in the periods following 2007. This deterioration, which substantially exceeded our expectations and the expectations of other market participants, was accompanied by greater volatility and uncertainty regarding the value of mortgage loans and mortgage securities. Price deteriorations and increases in volatility and uncertainty were particularly acute in the case of mortgage securities with underlying mortgage loans that were originated in the periods immediately prior to 2007. In addition, mortgage securities where the underlying mortgage loans were of lower quality or where the mortgage securities were subordinated to other mortgage securities based on the same mortgage loans, including mortgage securities similar to the Subordinate Certificates, experienced more significant and adverse price deteriorations and volatility.

In light of this experience, we have reevaluated, and continue to reevaluate, our processes for purchasing mortgage loans and structuring and selling mortgage securities. While we have made certain enhancements to our processes, many of our processes may be substantially similar to processes we employed prior to 2007 or may not have been revised enough to account for unforeseen deterioration in general economic conditions, including our processes for assessing credit risk and reviewing the underwriting of mortgage loans. In addition, our relationships with sellers, servicers and other market participants, including our contractual relationships, and our quality control and quality assurance processes are substantially similar to our past relationships and practices. These processes and relationships have limitations and entail various risks, including those discussed below. See *"— The Interests of Freddie Mac, the Underwriter and Others May Conflict With and be Adverse to the Interests of the Certificateholders — The Relationships Among Freddie Mac, Servicers and Sellers are Multifaceted and Complex"*.

Prospective investors in the Offered Certificates should understand that certain of the risks described in this Offering Circular materialized in 2007 and the periods that followed and that the actions of various market participants, including certain of the participants in this offering, are alleged to have been materially deficient. Accordingly, there can be no assurance that the policies and procedures adopted by Freddie Mac to mitigate such risks will prove to be sufficient or that the value of mortgage loans and mortgage securities, including the Offered Certificates, will not experience material and adverse deteriorations in value in the future.

Freddie Mac's Limited Review of a Sample of the Mortgage Loans May Not Reveal All Aspects Which Could Lead to Losses

Freddie Mac has undertaken certain limited loan review procedures with respect to various aspects of a sample of the Purchase Population, including a review of the underwriting of certain of the Mortgage Loans conducted by each Underlying Seller and verification of certain aspects of such Mortgage Loans. See *"General Mortgage Loan Purchase and Servicing — Freddie Mac Quality Control Process — Performing Loan Quality Control Review"* and *"— Limitations of Freddie Mac's Due Diligence Review"*. In conducting these review procedures, Freddie Mac relied on information and resources available to it. These review procedures were intended to discover certain material discrepancies and possible underwriting defects in the sample of the mortgage loans reviewed. However, these procedures did not constitute a re-underwriting of those mortgage loans, and were not designed or intended to discover every possible defect and may not be consistent with the type and scope of review that any individual investor would deem appropriate. In addition, to the extent that the limited review conducted did reveal factors that could affect how the Mortgage Loans may perform, we may have incorrectly assessed the potential significance of the discrepancies that we identified or the defects that we failed to identify. There can be no assurance that any review process conducted uncovered relevant facts that could be indicative of how the reviewed mortgage loans will perform. Investors should note that we undertook this limited mortgage loan file review with respect to only the Due Diligence Sample and did not undertake any mortgage loan file review for Mortgage Loans not included in the Due Diligence Sample.

Furthermore, in our limited review we did not review the Due Diligence Sample to verify that the originators abided by federal, state and local laws and regulations, such as consumer protection laws, including but not limited to TRID, in originating the loans, other than laws where the Trust may face legal liability for the originators' noncompliance. We rely on representations and warranties from our Underlying Sellers that the Mortgage Loans have been originated and are being serviced in compliance with all applicable federal, state and local laws and regulations and on federal regulatory agencies that are responsible for enforcing laws that protect mortgagors in this regard and we, in turn, have provided similar representations and warranties to the Certificateholders.

Freddie Mac Does Not Re-Underwrite the Mortgage Loans it Acquires From its Underlying Sellers, Which May Adversely Affect the Performance of the Mortgage Loans

We do not originate any mortgage loans, including the Mortgage Loans. As described under *"General Mortgage Loan Purchase and Servicing"*, we acquire mortgage loans, including the Mortgage Loans, from our approved sellers pursuant to our contracts with such sellers. We do not re-underwrite the mortgage loans that we acquire and we have not done so with respect to the Mortgage Loans, other than with respect to a quality control review of a percentage of mortgage loans that we may have reviewed, as described under *"General Mortgage*

Loan Purchase and Servicing — Managing REO Properties — Quality Assurance" below. We depend on our sellers' compliance with our contracts and rely on sellers' representations and warranties to us that the mortgage loans being sold satisfy the underwriting standards and other requirements specified in the sellers' contracts with us. We generally do not independently verify compliance by our sellers with respect to their representations and warranties and, other than with respect to any mortgage loans that we may have reviewed under the quality control and due diligence processes described in this Offering Circular, we have not done so with respect to the Mortgage Loans. See *"General Mortgage Loan Purchase and Servicing — Freddie Mac Quality Control Process — Performing Loan Quality Control Review"* and *"— Limitations of Freddie Mac's Due Diligence Review"*. As a result, it is possible that the Underlying Sellers have not complied with their obligations under their contracts with us and that certain Mortgage Loans may have underwriting defects that we are not aware of. Mortgage Loans with underwriting defects are likely to experience Realized Losses at a higher rate than Mortgage Loans without such defects, which could result in Realized Losses or Certificate Writedown Amounts that reduce the Class Principal Amounts of the Certificates. Additionally, other than as described herein, we do not independently verify the loan-level information and data reported or furnished to us by our sellers and servicers. Discrepancies in the loan-level information and data may come to our attention from sellers, servicers, vendors retained by us, third parties or through our quality control processes.

Freddie Mac's Limited Review of a Sample of the Mortgage Loans Covers Only Some of the Defects Which Could Lead to Losses and Would Not Detect All Potentially Relevant Defects

Mortgage loan and mortgage security credit risk is influenced by various factors, including, primarily, the credit profile of the mortgagor (*e.g.*, Credit Score, credit history, and monthly income relative to debt payments), documentation provided by the mortgagor, the number of mortgagors, the product features of the mortgage, the purpose of the mortgage, occupancy type, the type of property securing the mortgage, the LTV ratio, and local and regional economic conditions, including home prices and unemployment rates. Freddie Mac's limited review of the Due Diligence Sample addresses only some of these factors. Importantly, it does not address economic conditions, unemployment rates or other factors that in the past have had, and in the future could have, a significant adverse effect on the value of the Mortgage Loans and the Certificates.

Limited Scope and Size of the Diligence Provider's Review of the Mortgage Loans May Not Reveal Aspects of the Due Diligence Sample Which Could Lead to Realized Losses

In connection with the offering of the Certificates, Freddie Mac engaged a third-party diligence provider (the **"Diligence Provider"**) to undertake certain limited loan review procedures with respect to the Due Diligence Sample and did not undertake these loan review procedures for Mortgage Loans not in the Due Diligence Sample. The Diligence Provider and Freddie Mac reviewed the same Due Diligence Sample. The Due Diligence Sample was selected randomly rather than on a targeted basis. As a result, the Due Diligence Sample may be of more limited use than a targeted sample for identifying errors with respect to loans that may have a higher propensity for default. Had the Due Diligence Sample been selected on a targeted basis, the results may have been different and potentially may have had a higher error rate than the error rate found. As a result, the Mortgage Loans that were not included in the review may have characteristics that were not discovered, noted or analyzed as part of the Diligence Provider's review that could, nonetheless, result in those Mortgage Loans experiencing losses in the future. Investors are encouraged to make their own determination as to value of the due diligence undertaken by the Diligence Provider and Freddie Mac, the extent to which the characteristics of the Mortgage Pool can be extrapolated from the error rate and the extent to which investors believe that errors and discrepancies found during the various loan reviews described herein may indicate an increased likelihood of Realized Losses on the Mortgage Loans.

The procedures undertaken by the Diligence Provider included, among others, a review of the underwriting conducted by the related originators of the mortgage loans in the Due Diligence Sample and verification of certain aspects of the mortgage loans. The review was not intended to be a re-underwriting of the mortgage loans in the Due Diligence Sample and was in many ways substantially more limited than the scope of review undertaken as part of diligence on other recently issued residential mortgage loan securitization transactions. Specifically, the review scope was limited to the scope that Freddie Mac undertakes in its internal quality control process. In conducting these review procedures, the Diligence Provider relied on information and resources available to it (which were limited and which, in most cases, were not independently verified). These review

procedures were intended to discover certain material discrepancies and possible material defects in the Due Diligence Sample. However, these procedures did not constitute a re-underwriting of the mortgage loans in the Due Diligence Sample, and were not designed or intended to discover every possible discrepancy or defect. In addition, the Diligence Provider conducted procedures designed by Freddie Mac to sample Freddie Mac's data regarding characteristics of the Due Diligence Sample, which data was used to generate the numerical information about the Mortgage Pool included in this Offering Circular. In connection with such data review, the Diligence Provider identified certain discrepancies with respect to certain mortgage loans that were so reviewed, as described under *"General Mortgage Loan Purchase and Servicing — Due Diligence Review — Data Integrity Reviews",* which discrepancies are individually identified in Appendix B. There can be no assurance that any review process conducted uncovered relevant facts that could be predictive of how the mortgage loans in the Due Diligence Sample will perform.

Furthermore, to the extent that the limited review conducted by the Diligence Provider did reveal factors that could affect how the Mortgage Loans will perform, the Diligence Provider may have incorrectly assessed the potential severity of those factors. For example, in cases where the Diligence Provider reviewed an original appraisal and determined that it did not support the original appraised value, the Diligence Provider may have also reviewed a collateral desktop analysis or similar appraisal product to determine whether the original appraisal was correct. The review of the analyses by the Diligence Provider may, erroneously, not have indicated a defect in the original appraisal, which could result in an increased risk that payments on these mortgage loans may not be received or recovered. The Diligence Provider may not have discovered all of the factors that could affect how the Mortgage Loans will perform and in certain instances it may have discovered factors that Freddie Mac may not have initially assessed as factors that could affect how the Mortgage Loans will perform. The process for identifying and determining such factors is inherently subjective.

Investors are encouraged to make their own determination as to the extent to which they place reliance on the limited review procedures of Freddie Mac and the Diligence Provider engaged by Freddie Mac.

See "*General Mortgage Loan Purchase and Servicing — Due Diligence Review*".

Review of Mortgage Loans Once a Breach Review Trigger is Met May Result in Expenses to the Trust which Adversely Affect the Certificates

The first time that a Breach Review Trigger occurs with respect to a Mortgage Loan, the Trust Agent is required to appoint an Initial Reviewer to review such Mortgage Loan to determine if there is a Material Breach of any representation or warranty made by the Seller with respect to such Mortgage Loan. Simultaneously, the Seller will also review the Mortgage Loan. The Trust will pay all expenses of the Initial Reviewer associated with such Initial Review. If the Initial Reviewer determines that there is a Material Breach of any representation or warranty that has not expired, and the Seller does not agree with such determination, the Seller will have the right, in its sole discretion (subject to limitations described below and in the Pooling and Servicing Agreement), to request the Trust Agent to select a separate Additional Reviewer to undertake a full review of such Mortgage Loan. The Additional Reviewer's decision as to whether a Material Breach exists with respect to the Mortgage Loan will be final and binding. The cost of this Final Review will be borne by the Seller in the event the Additional Reviewer concludes that a Material Breach exists with respect to the Mortgage Loan, or by the Trust, in the event the Additional Reviewer concludes that a Material Breach does not exist with respect to the Mortgage Loan. In no event will the Trust Agent be required to pay the cost of any review of any Mortgage Loan from its own funds. In the event the Seller requests a Final Review, neither the Trust nor any Certificateholders will have any right to object or to pursue other reviews of the related Mortgage Loan. However, the Material Breach determination will be final, without benefit of a review by an Additional Reviewer, for the first three (3) Mortgage Loans for which the Seller disagrees with the Initial Reviewer's determination that a Material Breach exists with respect to such Mortgage Loans. See *"The Pooling and Servicing Agreement — Review of Mortgage Loan After a Breach Review Trigger Event"* and *"— Sunset of Representations and Warranties"*.

The payment by the Trust of expenses associated with a representation and warranty breach review will decrease the amount available for distributions of interest by the Trust to Certificateholders and may, absent a Guarantor Interest Payment, result in interest shortfalls to the Offered Certificates. Investors in the Certificates are encouraged to make their own determination as to the extent to which they place reliance on the breach review procedures described above.

Actions to Enforce Breaches of Representations and Warranties Relating to Mortgage Loan Characteristics May Take a Significant Amount of Time or Cause Delays or Reductions in the Amount of Distributions Made to Certificateholders

The process for determining whether there has been a Material Breach with respect to a Mortgage Loan, and the obligation to repurchase such Mortgage Loan (or make an indemnification payment in the case of a Liquidated Mortgage Loan), may be time-consuming and could result in delays in distributions on the Certificates and may, absent a Guarantor Interest Payment, result in interest shortfalls to the Offered Certificates. As described in the immediately preceding risk factor and as further described under *"The Pooling and Servicing Agreement — Mortgage Loan Representations and Warranties"* below, the Trust Agent is required to appoint an Initial Reviewer to review a Mortgage Loan for which a Breach Review Trigger has occurred to determine whether any Material Breach of a representation or warranty given by the Seller has occurred. At the same time that the Initial Reviewer is examining the mortgage loan file, the Seller will review the mortgage loan file and, to the extent necessary, confer with the respective Underlying Seller. If the Initial Reviewer determines that a Material Breach of a representation or warranty has occurred, the Seller, after completing its review, may request the Trust Agent to appoint an Additional Reviewer to review the Mortgage Loan and issue a final and binding decision as to whether a Material Breach exists with respect to the Mortgage Loan; *provided*, *however*, that the Seller may not request a Final Review of the first three (3) Mortgage Loans for which it disagrees with the Initial Reviewer's determination of a Material Breach. These procedures may take substantial time, which could result in delays, increased costs and losses to Certificateholders.

Underwriting Standards Used by Many of Freddie Mac's Underlying Sellers May be Less Stringent than Required by Freddie Mac's Guide

As described under *"General Mortgage Loan Purchase and Servicing — Underwriting Standards"* below, many of Freddie Mac's sellers have negotiated contracts with Freddie Mac that enable such sellers to sell mortgage loans to Freddie Mac under TOBs that vary from, and may be less stringent than, the terms of Freddie Mac's Guide. Mortgage loans originated pursuant to TOBs that are less stringent than the underwriting standards in the Freddie Mac Guide may experience a higher rate of losses than mortgage loans originated in accordance with the Guide. Some of the Mortgage Loans may have been originated pursuant to TOBs that are less stringent than the underwriting standards set forth in the Guide, which may result in such Mortgage Loans experiencing a higher rate of losses than mortgage loans originated in accordance with the Guide. In addition, because the TOBs vary by Underlying Seller, the performance of the Mortgage Loans within the Mortgage Pools may not be uniform or consistent, which may adversely impact the Certificates.

Recent Developments in the Residential Mortgage Market, Turbulence in the Financial Markets and Lack of Liquidity for Mortgage-Related Securities May Adversely Affect the Performance and Market Value of the Offered Certificates

The single-family housing market showed improvement in 2015, despite a significant inventory of seriously delinquent loans and real estate owned (**"REO"**) properties in the market. The serious delinquency rate of our single-family loans declined during that time period, but the serious delinquency rate of the loans originated from 2005 through 2008 that we acquired remains high compared to similar rates for the loans we acquired in years prior to 2005 (despite strengthening home prices in the last several years) due to high unemployment in some geographic areas, extended foreclosure timelines and continued challenges faced by servicers in processing large volumes of problem loans, including adjusting their processes to accommodate changes in servicing standards, such as those dictated by legislative or regulatory authorities. Residential loan performance has been generally worse in areas with higher unemployment rates and where declines in property values have been more significant during recent years. In its National Delinquency Survey, the Mortgage Bankers Association presents delinquency rates both for mortgages it classifies as subprime and for mortgages it classifies as prime conventional. The delinquency rates of subprime mortgages are markedly higher than those of prime conventional loan products in the Mortgage Bankers Association survey; however, the delinquency experience in prime conventional mortgage loans during the years 2005 through 2008 has been significantly worse than in any year since the 1930s. These developments could adversely affect the performance and market value of the Offered Certificates.

Market and economic conditions during the past several years have caused significant disruption in the credit markets. Continued concerns about the availability and cost of credit, the U.S. mortgage market, some real estate markets in the U.S., economic conditions in the U.S. and Europe and the systemic impact of inflation or deflation, energy costs and geopolitical issues have contributed to increased market volatility and diminished expectations for the U.S. economy. Increased market uncertainty and instability in both U.S. and international capital and credit markets, combined with declines in business and consumer confidence and increased unemployment, have contributed to volatility in domestic and international markets.

Although home prices have shown greater stability and increased in some geographic areas, there can be no assurance that a decline will not resume and continue for an indefinite period of time in the future. A decline in property values or the failure of property values to increase where the outstanding balances of the mortgage loans and any secondary financing on the related mortgaged properties are close to or in excess of the value of the mortgaged properties may result in higher delinquencies, foreclosures and losses. Any decline in real estate values may be more severe for mortgage loans secured by high cost properties than those secured by low cost properties. Declining property values may create an oversupply of homes on the market, which may increase negative home equity. Nationwide home price appreciation rates generally were negative from late 2007 through 2013, and this trend may recur at any time. Higher loan-to-value ratios generally result in lower recoveries on foreclosure, and an increase in loss severities above those that would have been realized had property values remained the same or continued to appreciate.

There is particular uncertainty about the prospects for growth in the U.S. economy. A number of factors influence the potential uncertainty, including, but not limited to, high unemployment, rising government debt levels, prospective Federal Reserve policy shifts, the withdrawal of government interventions into the financial markets, changing U.S. consumer spending patterns, and changing expectations for inflation and deflation. Income growth and unemployment levels affect mortgagors' ability to repay mortgage loans, and there is risk that economic activity could be weaker than anticipated following the recent serious recession. See *"— Governance and Regulation"* below when considering the impact of regulation on Certificateholders. Although the U.S. economy, by some measurements, has emerged from the recent recession, the current recovery has been the weakest expansion in post-war U.S. history. Continued concerns about the economic conditions in the United States, China and Europe, including downgrades of the long-term debt ratings of the European Economic and Monetary Union (**"Eurozone"**) nations and the United States, generally have contributed to increased market volatility and diminished growth expectations for the U.S. economy. In addition, on June 23, 2016, the United Kingdom voted to exit the Eurozone. It is uncertain what effect this vote to exit the Eurozone will have on the remaining countries in the Eurozone or on the value or liquidity of the Offered Certificates.

Subsequent to the financial crisis and over the past several years, the Federal Reserve has adopted an easing stance in monetary policy referred to as "quantitative easing." For example, interest rate cuts, which are intended to lower the cost of borrowing, result in higher investment activity which, in turn, stimulates the economy. Based on the stabilization of unemployment, as well as the increase in home prices, the Federal Reserve began to reduce the quantitative easing and in October 2014 announced the end of the quantitative easing program. To the extent that interest rates rise as a result of the Federal Reserve's action, the availability of refinancing alternatives for the Mortgage Loans may be reduced. The economic conditions experienced from 2007 to the present have been unique and unprecedented in terms of the level of home price declines, as well as the subsequent government intervention. There can be no assurance that the factors that caused such financial crisis (or any other factors) will have similar effects on the mortgage market in the future.

As a result of market conditions and other factors, the cost and availability of credit has been and may in the future continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets and the creditworthiness of counterparties has led many lenders and institutional investors to reduce, and in some cases cease, lending to certain mortgagors. Continued turbulence in the U.S. and international markets and economies may negatively affect the U.S. housing market and the credit performance and market value of residential mortgage loans.

In addition, the difficult economic environment and rate of unemployment and other factors (which may or may not affect real property values) may affect the mortgagors' timely payment of scheduled payments of principal and interest on the Mortgage Loans and, accordingly, may increase the occurrence of delinquencies and

Realized Losses and adversely affect the amount of Liquidation Proceeds realized in connection with Liquidated Mortgage Loans. Further, the time periods to resolve defaulted Mortgage Loans may be long, and those periods may be further extended because of mortgagor bankruptcies, related litigation and any federal and state legislative, regulatory and/or administrative actions or investigations.

Further, the secondary market for mortgage-related securities is experiencing extremely limited liquidity. These conditions may continue or worsen in the future. Limited liquidity in the secondary market for mortgage securities could adversely affect a Certificateholder's ability to sell the Offered Certificates or the price such Certificateholder receives for the Offered Certificates and may continue to have a severe adverse effect on the market value of mortgage securities, especially those that are more sensitive to prepayment or credit risk.

Although the Pooling and Servicing Agreement is to be interpreted under the federal laws of the United States, if there is no applicable U.S. federal law precedent, the Pooling and Servicing Agreement will be governed by New York law, unless New York law would frustrate the purposes of the Freddie Mac Act or any provision of the Pooling and Servicing Agreement or the transactions governed by it. In December 2013, the Supreme Court of the State of New York, Appellate Division, First Department, held that the six-year statute of limitations applicable to a breach of contract cause of action under N.Y. CPLR 213(2) barred an action for breach of loan-level representations and warranties contained in New York-law governed agreements relating to a particular residential mortgage securitization transactions (the **"ACE Decision"**).

The First Department held that claims for breaches of loan-level representations and warranties began to accrue on the date on which the representations and warranties were allegedly breached, which in such case was the closing date of the securitization transaction. The First Department also held that the case was time-barred because the action had not been commenced within six years from the date of the alleged representation and warranty breaches. On June 11, 2015, the New York Court of Appeals, the highest court in New York, affirmed the ruling of the lower court in the ACE Decision. On November 16, 2015, the United States Court of Appeals for the Second Circuit held under New York law that a claim for breaches of representations and warranties concerning the characteristics of mortgage loans accrues on the date the representations and warranties are made, even where the contract purports to set an alternative time period for such accrual.

A court applying New York law may determine, however, that another jurisdiction's statute of limitations period should control under New York's so-called "borrowing statute". Accordingly, to the extent that courts reach the same conclusion as the ACE Decision on the interpretation of New York law on this issue going forward, a breach of contract action alleging selling representation and warranty breaches under these agreements may be time barred if not commenced within the applicable jurisdiction's statute of limitations period, which period could be either longer or shorter than New York's, and would commence on the date on which the representations and warranties were made, even if the alleged representation and warranty breaches had not been discovered by such time. If the breach of contract action relates to a breach of a servicing (rather than a selling) representation and warranty, the applicable statute of limitations may run from the date that the servicing breach occurred.

Although certain of the representations and warranties provided by the Seller are "life of loan" representations and warranties, there can be no assurance that if the Seller failed to repurchase a Mortgage Loan and New York law applied that investors would be able to seek relief in a court of law because of the ACE Decision.

These factors and general market conditions, together, with the limited amount of credit enhancement available to the Certificateholders (as further described in this Offering Circular) could adversely affect the performance and market value of the Offered Certificates and result in a full or partial loss of your initial investment. See "*Prepayment and Yield Considerations — Yield Considerations with Respect to the Certificates*". There can be no assurance that governmental intervention or other actions or events will improve these conditions in the near future.

The Rate and Timing of Principal Payment Collections on the Mortgage Loans Will Affect the Yield on the Offered Certificates

The rate and timing of distributions of principal and the yield to maturity on the Offered Certificates will be directly related to the rate and timing of collections of principal payments on the applicable Mortgage Loans and

the amount and timing of defaults by mortgagors that result in Realized Losses on the applicable Mortgage Loans. Mortgagors are permitted to prepay their Mortgage Loans, in whole or in part, at any time, without penalty.

The principal distribution characteristics of the Offered Certificates have been designed so that the Certificates amortize based on the collections of principal payments on the applicable Mortgage Loans. See *"Description of the Certificates — Principal — Allocation of Principal Remittance Amount"*. Investors should make their own determination as to the effect of these features on the Offered Certificates.

The rate and timing of principal payments (including prepayments) on mortgage loans is influenced by a variety of economic, geographic, social and other factors, but may depend greatly on the level of mortgage interest rates:

- If prevailing interest rates for similar mortgage loans fall below the interest rates on the Mortgage Loans, the rate of principal prepayments would generally be expected to increase due to refinancings.
- Conversely, if prevailing interest rates for similar mortgage loans rise above the interest rates on the Mortgage Loans, the rate of principal prepayments would generally be expected to decrease.

The rate and timing of principal payments on the Mortgage Loans will also be affected by the following:

- the amortization schedules of the Mortgage Loans,
- the rate and timing of partial prepayments and full prepayments by mortgagors, due to refinancing, certain job transfers, changes in property value or other factors,
- liquidations of, or modifications resulting in the reduction of the mortgage balance (*e.g.*, principal reduction) or deferral of repayment of principal (*i.e.*, principal forbearance) of, the Mortgage Loans,
- the time it takes for defaulted Mortgage Loans to be modified or liquidated,
- the availability of loan modifications for delinquent or defaulted Mortgage Loans, and
- the rate and timing of payment in full of Mortgage Loans or other removals from the respective Mortgage Pool.

In addition, the repurchase of a Mortgage Loan (or the payment of an indemnification payment in the case of a Liquidated Mortgage Loan) by the Seller, as described in *"The Pooling and Servicing Agreement — Repurchase of Delinquent Mortgage Loans"*, in each case, has the same effect on the Mortgage Pool as a prepayment in full. As such, the rate and timing of repurchases (and any such indemnification payments) will also affect the yield on the Offered Certificates.

Furthermore, to the extent any Realized Losses or Certificate Writedown Amounts are allocated to reduce the Class Principal Amounts of the Offered Certificates, the Guarantor is required to make a Guarantor Principal Payment in respect of the related Principal Deficiency Amount. Any such Guarantor Principal Payments will have the same effect as principal prepayments on the Mortgage Loans distributed to the Offered Certificates.

Mortgage originators make general solicitations for refinancings. Any such solicited refinancings may result in a rate of principal prepayments that is higher than prospective investors might otherwise expect.

No representation is made as to the rate of principal payments, including principal prepayments, on the Mortgage Loans or as to the yield to maturity of any Class of Certificates. In addition, there can be no assurance that any of the Mortgage Loans will or will not be prepaid prior to their maturity. An investor is urged to make an investment decision with respect to any Class of Certificates based on the anticipated yield to maturity of that Class of Certificates resulting from its purchase price and the investor's own determination as to anticipated Mortgage Loan prepayment and loss rates under a variety of scenarios. The extent to which the Certificates are purchased at a discount or a premium and the degree to which the timing of distributions on the Certificates is sensitive to prepayments will determine the extent to which the yield to maturity of the Certificates may vary from the anticipated yield.

If investors are purchasing Certificates at a discount, such prospective investors should consider the risk that if principal payments on the Mortgage Loans occur at a rate slower than such prospective investors expected, such prospective investors' yield will be lower than expected. If prospective investors are purchasing Certificates at a premium, such prospective investors should consider the risk that if principal payments on the Mortgage Loans occur at a rate faster than such investors expected, such prospective investors' yield will be lower than expected and such investors may not even recover their investment in the Certificates. The timing of changes in the rate of prepayments may significantly affect the actual yield to you, even if the average rate of principal prepayments is consistent with your expectations. In general, the earlier the payment of principal of the Mortgage Loans, the greater the effect on your yield to maturity. As a result, the effect on an investor's yield due to principal prepayments occurring at a rate higher (or lower) than the rate anticipated during the period immediately following the issuance of the Certificates may not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments. See *"Prepayment and Yield Considerations — Yield Considerations With Respect to the Certificates"*.

For a more detailed discussion of these factors, see *"Prepayment and Yield Considerations"* and *"Description of the Mortgage Loans"*.

The Performance of the Mortgage Loans Could be Dependent on the Underlying Servicers

The performance of the Underlying Servicers servicing the Mortgage Loans could have an impact on the amount and timing of principal collections on the Mortgage Loans and the rate and timing of the occurrence of Realized Losses with respect thereto. As described under *"General Mortgage Loan Purchase and Servicing — Servicing Standards"* below, the Underlying Servicers are generally required to service the Mortgage Loans in accordance with the Servicing Requirements. The Underlying Servicers are servicing for the benefit of Freddie Mac and have no duties or obligations to service for the benefit of investors in the Certificates. We are the Master Servicer of the Mortgage Loans and are generally required to supervise and monitor each Underlying Servicer's overall servicing performance and compliance with the Servicing Requirements. We cannot assure you that any supervision and monitoring of the Underlying Servicers that we may undertake will be sufficient to determine material compliance by the Underlying Servicers of their contractual obligations owed to us. The Mortgage Loans will be serviced by the Underlying Servicers and the individual performance of the Underlying Servicers will vary. As a result, the performance of the Mortgage Loans may similarly vary, which may adversely affect the Certificates. For example, the servicing practices of each Underlying Servicer could have an impact on the timing of loss mitigation strategies, which as a result will have an impact on the timing and amount of principal distributions made on, and Realized Losses and Certificate Writedown Amounts allocated to, the Certificates.

Although as Master Servicer we have a duty to supervise and monitor the Underlying Servicers' performance of the Mortgage Loans, we permit each Underlying Servicer to have some discretion in servicing mortgage loans. To the extent an Underlying Servicer fails to fully perform its obligations, we may pursue a number of options in order to rectify a problem. Certificateholders should understand that the servicing of the Mortgage Loans is required to conform with the Servicing Requirements and will be similar to the servicing of mortgage loans that Freddie Mac purchases in the normal course of its business. As a result, it is possible that the Certificateholders could experience delays or reductions in distributions on, or other losses with respect to, the Certificates as we work with an Underlying Servicer to rectify a problem.

Investors should note that if an Underlying Servicer fails to service the Mortgage Loans in accordance with our standards, we have certain contractual remedies, including the ability to require such Underlying Servicer to pay us compensatory or other fees. Under no circumstances will the payment of compensatory fees or similar fees be for the benefit of the Certificateholders or result in a Subsequent Recovery being allocated to the Certificates.

Servicers May Not Follow the Requirements of Our Guide or TOBs, and Servicing Standards May Change Periodically

As described under *"General Mortgage Loan Purchase and Servicing — Servicing Standards"* below, some of our Underlying Servicers have negotiated contracts with us that enable such Underlying Servicers to service Mortgage Loans for us under TOBs that vary from the terms of our Guide. Some of the Mortgage Loans are

being serviced pursuant to TOBs that have different requirements than the servicing standards set forth in the Guide. There is a risk that an Underlying Servicer will not follow the Servicing Requirements, which may result in such Mortgage Loans experiencing a higher rate of Realized Losses than if the Mortgage Loans had been serviced in accordance with the Servicing Requirements. Also, in the normal course of our business we may make periodic changes to the servicing provisions of the Guide and may negotiate new TOBs with an Underlying Servicer. Any such future changes or additional TOBs will become applicable to the servicing of the Mortgage Loans at such future time. We cannot assure you that any future changes will not have an adverse impact on the Mortgage Loans and the Certificates.

Servicing Transfers May Result in Decreased or Delayed Collections and Losses

Freddie Mac has the right to terminate Underlying Servicers as described under *"General Mortgage Loan Purchase and Servicing — Managing REO Properties — Servicer Termination Event"* below. The transfer of servicing, by removal or otherwise, from one servicer to another servicer may pose some risk of disruption in collections due to data input errors, misapplied or misdirected payments, inadequate mortgagor notification, system incompatibilities and other reasons. As a result, any such affected Mortgage Loans may experience increased delinquencies and defaults, at least for a period of time, until all of the mortgagors are informed of the transfer and the related servicing records and all the other relevant data has been obtained by the new underlying servicer. There can be no assurance as to the extent or duration of any disruptions associated with the transfer or removal of servicing to another servicer or as to the resulting effects on the yields on the Certificates. To the extent Mortgage Loans become delinquent as a result of any such servicing transfers, such delinquencies may result in losses, which would result in Realized Losses or Certificate Writedown Amounts being allocated to reduce the Class Principal Amounts of the Certificates.

Each Underlying Servicer's Discretion Over the Servicing of the Related Mortgage Loans May Impact the Amount and Timing of Funds Available to Make Distributions on the Certificates

Each Underlying Servicer is obligated to service the related Mortgage Loans in accordance with applicable law and the Servicing Requirements. See *"General Mortgage Loan Purchase and Servicing — Servicing Standards"*. Each Underlying Servicer has some discretion in servicing the related Mortgage Loans as it relates to the application of the Servicing Requirements. Maximizing collections on the related Mortgage Loans is not the Underlying Servicer's only priority in connection with servicing the related Mortgage Loans. Consequently, the manner in which an Underlying Servicer exercises its servicing discretion or changes its customary servicing procedures could have an impact on the amount and timing of principal collections and Realized Losses on the related Mortgage Loans, which may impact the amount and timing of principal distributions to be made on, and Realized Losses and Certificate Writedown Amounts allocated to, the Certificates.

The Performance of Underlying Sellers and Underlying Servicers May Adversely Affect the Performance of the Mortgage Loans

The financial difficulties of a seller or servicer of residential mortgage loans may be exacerbated by higher delinquencies and defaults that reduce the value of mortgage loan portfolios, requiring sellers to sell their portfolios at greater discounts to par. In addition, the costs of servicing an increasingly delinquent mortgage loan portfolio may be rising without a corresponding increase in servicing compensation. Many sellers and servicers of residential mortgage loans also have been the subject of governmental investigations and litigation, many of which have the potential to impact the financial condition of those financial institutions. In addition, any regulatory oversight, proposed legislation and/or governmental intervention may have an adverse impact on sellers and servicers. These factors, among others, may have the overall effect of increasing costs and expenses of sellers and servicers while at the same time decreasing servicing cash flow and loan origination revenues, and in turn may have a negative impact on the ability of Underlying Sellers and Underlying Servicers to perform their obligations to us with respect to the Mortgage Loans, which could affect the amount and timing of principal collections on the Mortgage Loans and the rate and timing of the occurrence of losses with respect thereto. For any seller or servicer that becomes subject to a bankruptcy proceeding, Freddie Mac may receive distributions from the bankruptcy estate on account of liabilities and/or contingent liabilities of such seller or servicer to Freddie Mac, a portion of which may include proceeds that relate to underwriting and origination representation

and warranty breaches. No portion of these settlement proceeds that Freddie Mac may receive with respect to the Mortgage Loans will be available to the Trust.

Solicitation May Result in Erosion in the Overall Credit Quality of the Mortgage Pool

While the Underlying Servicers are prohibited from specifically soliciting our mortgagors for refinancing or segregating mortgage loans in their own portfolio from those Mortgage Loans sold to the Trust for different treatment in terms of refinance advertising, offers or practices, the servicers and other mortgage lenders are not precluded from conducting broad based consumer advertising and solicitations of mortgagors in general to refinance their mortgage loans. These refinancings may increase the rate of prepayment of the Mortgage Loans. The refinancing of a portion of the Mortgage Loans may lead to an erosion of the credit quality of the Mortgage Loans remaining in the Mortgage Pool and a resulting increase in the rate of losses that may result in Realized Losses and Certificate Writedown Amounts being allocated to the Certificates. In addition, a Certificateholder may receive less interest on the Certificates as a result of prepayments on such Mortgage Loans and as a result may experience a lower yield on its investment.

Mortgagors May Have, or May in the Future Incur, Additional Indebtedness Secured by Mortgaged Properties Securing the Mortgage Loans

As of the Cut-Off Date, approximately 12.4% of the Mortgage Loans by aggregate Cut-Off Date Balance (approximately 11.6% for Pool 1 and approximately 13.2% for Pool 2) are secured by mortgaged properties that also were subject to subordinate mortgage liens at the respective times of origination of those Mortgage Loans and considered in the underwriting of such Mortgage Loans. In addition, mortgagors may generally obtain additional mortgage loans secured by their respective properties at any time and we are not generally entitled to receive notification when a mortgagor does so. Therefore, it is possible that mortgagors have obtained additional post-origination subordinate mortgages. If such a post-origination subordinate mortgage is obtained with respect to a Mortgage Loan, this additional indebtedness could increase the risk that the value of the related mortgaged property is less than the total indebtedness secured by such mortgaged property and could increase the risk of losses on such Mortgage Loan. The existence of subordinate mortgage liens may adversely affect default rates because the related mortgagors must make two or more monthly payments and also because such subordinate mortgages will result in an increased combined LTV of the mortgage loans. A default on a subordinate mortgage loan could cause the related mortgaged property to be foreclosed upon at a time when the first mortgage loan remains current as to scheduled payments. If this should occur with respect to Mortgage Loans, it may affect prepayment rates on the Mortgage Loans and could result in increased losses with respect to the Mortgage Loans, which could result in Realized Losses and Certificate Writedown Amounts being allocated to the Certificates. Further, with respect to any Mortgage Loans that have subordinate lien mortgages encumbering the same mortgaged properties, the risk of Realized Losses may be increased relative to Mortgage Loans that do not have subordinate financing since mortgagors who have subordinate lien mortgages have less equity in the mortgaged property. We have not independently verified the existence of any subordinate liens on the mortgaged properties securing the Mortgage Loans, and any information provided in this Offering Circular as to subordinate liens on any mortgaged properties securing the Mortgage Loans is based solely on the representation made by the related Underlying Seller in connection with our acquisition of the related Mortgage Loans.

Geographic Concentration May Increase Risk of Losses Due to Adverse Economic Conditions or Natural Disasters

As of the Cut-Off Date, approximately 62.1% of the Mortgage Loans by aggregate Cut-Off Date Balance (approximately 59.9% for Pool 1 and approximately 64.0% for Pool 2) are secured by mortgaged properties located in California. If the regional economy or housing market weakens in California or any other state or region having a significant concentration of mortgaged properties underlying the Mortgage Loans, the Mortgage Loans may experience higher rates of Realized Losses, which could result in higher prepayments or losses, absent the Guarantee, on the Offered Certificates. Further, there can be no assurance that the five-year drought in California will not affect mortgagors and mortgaged properties with respect to the Mortgage Loans. In addition to California, states in the Gulf coast region and southeastern and northeastern Atlantic coast, the New England area, Oklahoma, Colorado and other regions have experienced natural disasters, including earthquakes, fires,

floods, tornadoes and hurricanes, which may adversely affect mortgagors and mortgaged properties. Any concentration of mortgaged properties in a state or region may present unique risk considerations. No assurance can be given as to the effect of natural disasters on delinquencies and losses on any of the Mortgage Loans secured by the mortgaged properties that might be damaged by such natural disasters or on any other Mortgage Loans. In the event of a natural disaster we may offer relief, such as a deferral of a payment or permanent modification of the terms of a mortgage loan, to affected mortgagors.

Any deterioration in housing prices in a state or region due to adverse economic conditions, natural disasters or other factors, and any deterioration of the economic conditions or natural disasters in a state or region that adversely affects the ability of mortgagors to make payments on the Mortgage Loans, may result in losses that, absent the Guarantee, result in Realized Losses and Certificate Writedown Amounts being allocated to the Certificates.

See Appendix A for further information regarding the geographic concentration of the Mortgage Loans.

The Rate of Losses on Mortgage Loans That Are Secured by Second Homes or Investment Properties May be Higher than on Other Mortgage Loans

As of the Cut-Off Date, approximately 8.7% of the Mortgage Loans by aggregate Cut-Off Date Balance (approximately 2.5% of Pool 1 and approximately 14.1% of Pool 2), are secured by properties acquired as second homes or investment properties. Mortgage premises acquired as second homes or investments may present a greater risk that the mortgagor will stop making monthly payments if the mortgagor's financial condition deteriorates. Properties acquired as second homes or investments may have a higher frequency of losses than properties that are principal residences. In a default, mortgagors who do not reside in the mortgaged property may be more likely to abandon the related mortgaged property. This risk may be especially pronounced for mortgagors with mortgage loans on more than two properties. In addition, income expected to be generated from an investment property may have been considered for underwriting purposes in addition to the income of the mortgagor from other sources. Should this income not materialize, it is possible the mortgagor would not have sufficient resources to make payments on the mortgage loan.

The percentage of the Mortgage Loans described in the preceding paragraph does not include any Mortgage Loans secured by second homes or investment properties for which the related mortgagor identified the purpose of the loan as a principal residence. Any such Mortgage Loan may perform similarly (and demonstrate similar risks) to mortgage loans described in the preceding paragraph. We have not independently verified the occupancy status of any mortgaged premises, and any information provided in this Offering Circular as to owner occupancy is based solely on the representation made by the related mortgagor in connection with the origination of the related Mortgage Loan and as provided by the Underlying Seller at the time the Mortgage Loan was sold to us.

The Rate of Losses on Mortgage Loans That Are Cash-out Refinance Transactions May be Higher Than on Other Mortgage Loans

As of the Cut-Off Date, approximately 18.3% of the Mortgage Loans by aggregate Cut-Off Date Balance (approximately 5.0% of Pool 1 and approximately 29.8% of Pool 2), were originated as cash-out refinance transactions. In a cash-out refinance transaction, in addition to paying off existing mortgage liens, the mortgagor obtains funds that may be used for other purposes, including paying off subordinate mortgage liens and providing unrestricted cash proceeds to the mortgagor. In other refinance transactions, the funds are used to pay off existing mortgage liens and may be used in limited amounts for certain specified purposes; such refinances are generally referred to as "no cash-out" or "rate and term" refinances. Cash-out refinancings generally have had a higher risk of losses than Mortgage Loans originated in no cash-out, or rate and term, refinance transactions.

Mortgage Loans Made to Certain Mortgagors May Present a Greater Risk

Realized Losses on certain Mortgage Loans may be higher as a result of the related mortgagors' circumstances. Mortgagors of certain Mortgage Loans may have less steady or predictable income than others, which may increase the risk of these mortgagors not making timely payments. Further, mortgagors who are significantly increasing their housing payments may have difficulties adjusting to their new housing debt even though their debt-to-income ratios may be within guidelines. These mortgagors may present a greater risk of

default as a result of their circumstances. Investors should consider that a higher number of mortgagors that have these types of issues may result in increased losses on the Mortgage Loans that would result in Realized Losses and Certificate Writedown Amounts being allocated to the Certificates.

Proposals to Acquire Mortgage Loans by Eminent Domain May Adversely Affect Your Certificates

The County Board of Supervisors of San Bernardino, California in 2012 approved a joint exercise of powers agreement among the County of San Bernardino, California, the City of Ontario, California and the City of Fontana, California to establish a joint powers authority (the **"Authority"**) to implement a program to assist homeowners in those jurisdictions who are obligated on residential mortgage loans with outstanding balances in excess of the market value of the mortgaged properties. The proposed program included authorization for the Authority to acquire any such mortgage loans by voluntary purchase or eminent domain and to modify those mortgage loans to allow homeowners to continue to own and occupy their homes. Although the Authority has since rejected such a program, other local governments have taken similar steps to consider how the power of eminent domain could be used to acquire residential mortgage loans.

There is no certainty as to whether any governmental entity will take steps to acquire any mortgage loans under such a program, whether any mortgage loans sought to be purchased will be mortgage loans held in securitization trusts, what purchase price would be paid for any such mortgage loans, and whether additional governmental entities may consider and ultimately pass similar legislation. Any such actions could have a material adverse effect on the market value of residential mortgage-backed certificates such as the Certificates. There is also no certainty as to whether any such action without the consent of investors would face legal challenge, and, if so, the outcome of any such challenge.

If a governmental entity implements a program under which it has the power to acquire residential mortgage loans through the exercise of eminent domain, and the governmental entity proposes to acquire a Mortgage Loan out of the Trust, the Master Servicer will cause the related Underlying Servicer to obtain a valuation on the related mortgaged property in the form of a broker's price opinion or another valuation method that it deems appropriate. The Trustee may also engage a third party to review each such Mortgage Loan to determine whether the payment offered by such governmental entity is the fair market value of the Mortgage Loan, and it may engage legal counsel to assess the legality of the governmental entity's proposed action and whether there are bona fide legal grounds for contesting the acquisition. Based on the results of these determinations, the Master Servicer may contest such an acquisition through appropriate legal proceedings. If certain conditions are satisfied, the Certificateholders may direct the Trustee to pursue such an action. These procedures may take substantial time, which could result in delays, increased costs and losses to Certificateholders.

Statutory and Judicial Limitations on Foreclosure Procedures May Delay Recovery in Respect of the Mortgaged Properties and, in Some Instances, Limit the Amount That May Be Recovered by the Underlying Servicers, Resulting in Realized Losses on the Mortgage Loans That Might Be Allocated to the Certificates

Foreclosure procedures may vary from state to state. Two primary methods of foreclosing a mortgage instrument are judicial foreclosure, involving court proceedings, and non-judicial foreclosure pursuant to a power of sale granted in the mortgage instrument. A foreclosure action is subject to most of the delays and expenses of other lawsuits if defenses are raised or counterclaims are asserted. Delays may also result from difficulties in locating necessary defendants. Non-judicial foreclosures may be subject to delays resulting from state laws mandating the recording of notice of default and notice of sale and, in some states, notice to any party having an interest of record in the real property, including junior lienholders. Some states have adopted "anti-deficiency" statutes that limit the ability of a lender to collect the full amount owed on a loan if the property sells at foreclosure for less than the full amount owed. In addition, United States courts have traditionally imposed general equitable principles to limit the remedies available to lenders in foreclosure actions that are perceived by the court as harsh or unfair. The effect of these statutes and judicial principles may be to delay and/or reduce distributions in respect of the Certificates. See *"Certain Legal Aspects of the Mortgage Loans — Foreclosure"*.

Several lawsuits were filed in numerous jurisdictions challenging Freddie Mac's statutory exemption from transfer taxes imposed on the transfer of real property for which Freddie Mac was the grantor or grantee. Many jurisdictions refused to honor Freddie Mac's exemption during the pendency of the lawsuits, requiring the

payment of transfer taxes in order to record deeds transferring property to and/or from Freddie Mac following the foreclosure of a mortgage. Freddie Mac successfully defended these lawsuits, and Freddie Mac's statutory exemption from transfer taxes has been upheld by the courts. However, the Trust may face similar challenges to its exemption when it obtains title to REO Properties.

Stricter Enforcement of Foreclosure Rules and Documentation Requirements May Cause Delays and Increase the Risk of Loss

Recently courts and administrative agencies have been enforcing more strictly existing rules regarding the conduct of foreclosures and, in some circumstances, have been imposing new rules regarding foreclosures. Some courts have delayed or prohibited foreclosures based on alleged failures to comply with technical requirements. State legislatures have been enacting new laws regarding foreclosure procedures. In some cases, law enforcement personnel have been refusing to enforce foreclosure judgments. At least one county is reported to be refusing to allow foreclosure sales to be conducted on the courthouse steps. In addition, more mortgagors are bringing legal actions, or filing for bankruptcy, to attempt to block or delay foreclosures. As a result, the Underlying Servicers for the Mortgage Loans may be subject to delays in conducting foreclosures and the expense of foreclosures may increase, resulting in delays or reductions in distributions on the Certificates. The Guarantee on the Offered Certificates will cover any such reductions. See *"Certain Legal Aspects of the Mortgage Loans — Foreclosure"*.

Mortgagors have been increasingly successful in challenging or delaying foreclosures based on technical grounds, including challenges based on alleged defects in the mortgage loan documents and challenges based on alleged defects in the documents under which the mortgage loans were securitized. In a number of cases, such challenges have delayed or prevented foreclosures. It is possible that there will be an increase in the number of successful challenges to foreclosures by mortgagors. Curing defective documents required to conduct a foreclosure will cause delays and increase costs, which could result in Realized Losses being allocated to the Certificates. Further, the final servicing rules promulgated by the Consumer Financial Protection Bureau (**"CFPB"**), which took effect on January 10, 2014, require servicers, among other things, to exhaust all feasible loss mitigation options before proceeding with foreclosures, which will have the effect of delaying foreclosures of Mortgage Loans in certain instances.

Insurance Related to the Mortgaged Properties May Not Be Sufficient to Compensate for Losses

Although the mortgaged properties securing the Mortgage Loans may be covered by insurance policies, such as hazard insurance or flood insurance, no assurance can be made that the proceeds from such policies will be used to repay any amounts owed in respect of such Mortgage Loans or will be used to make improvements to the mortgaged properties that have values that are commensurate with the value of any of the damaged improvements. In addition, even though an insurance policy may cover the "replacement cost" of the improvements on any mortgaged property, the proceeds of such insurance policy may not be sufficient to cover the actual replacement cost of such improvements or the appraised value of the improvements on any mortgaged property. No assurance can be given that the insurer related to any insurance policy will have sufficient financial resources to make any payment on any insurance policy or that any such insurer will not challenge any claim made with respect to any such insurance policy resulting in a delay or reduction of the ultimate insurance proceeds, which could have a material adverse effect on the performance of the Certificates. Furthermore, to the extent any mortgaged property becomes an unoccupied REO Property and such vacancy is verified by a property condition certificate (**"PCC"**), Freddie Mac may, but is not obligated to, acquire third-party hazard insurance on such property. In the event Freddie Mac does not maintain hazard insurance on such REO Property, the Trust will incur an incremental Realized Loss, equal to the amount of any costs and expenses related to the repair of such REO Property. In the event hazard insurance is obtained, insurance premiums will be reimbursed to the Master Servicer upon liquidation of the related REO Property. Flood insurance, however, is required to always be maintained on REO Properties, even upon vacancy.

Delays in Liquidation; Liquidation Proceeds May Be Less Than Mortgage Loan Balance

Substantial delays in distribution of principal on the Certificates could be encountered in connection with the liquidation of delinquent Mortgage Loans. Delays in foreclosure proceedings may ensue in certain states experiencing increased volumes of delinquent mortgage loans. Further, reimbursement of advances made by or

caused to be made by the Master Servicer and liquidation expenses such as legal fees, real estate taxes, accrued delinquent interest and maintenance and preservation expenses will reduce the Net Liquidation Proceeds related to such Mortgage Loans and could result in greater Realized Losses being allocated to the Certificates. Under the Pooling and Servicing Agreement, the Master Servicer is required to advance, and is entitled to reimbursement of any such advance, interest and principal due on each Mortgage Loan that is less than 180 days delinquent, Servicing Advances and Forgiveness Advances, if any, which could result in a substantial reduction in the amount of any Liquidation Proceeds received with respect to the related Mortgage Loans.

Helping Families Save Their Homes Act

The Helping Families Save Their Homes Act of 2009, Public Law 111-22, 123 Stat. 1632, effective as of May 20, 2009, amended the Truth in Lending Act (**"TILA"**) to require creditors that are the new owner or assignee of a mortgage loan secured by a borrower's principal dwelling to mail or deliver notice to borrowers of the sale or transfer of their mortgage loan no later than 30 days after a sale or transfer. In implementing this change to TILA, the CFPB amended Regulation Z, effective January 1, 2011 to impose this requirement on a newly defined category of "covered persons", including those who are not creditors, when that covered person acquires a mortgage loan. As a result, the Master Servicer, on behalf of the Trust will be required to mail or deliver these notices reflecting the ownership of the Mortgage Loans by the Trust. Failure to comply with these notice requirements may result in civil claims for compensatory and punitive damages against the Trust. Any judgment against, or settlement by, the Trust relating to these violations would reduce the funds otherwise available for distribution to investors, and may result in shortfalls or losses on the Certificates.

Investors Will Be Dependent on Certain Third Parties Performing Their Responsibilities in an Accurate and Timely Manner

The Mortgage Loans are serviced by the Underlying Servicers who have no contractual obligation to the Trust. Investors are subject to the risks associated with inadequate or untimely servicing for reasons such as errors or miscalculations.

In recent years, many servicers experienced higher delinquencies and defaults than they had historically experienced and, as a result, for those servicers who are still managing larger portfolios of mortgage loans with delinquencies and defaults, there is a risk that their operational infrastructures cannot properly process this increased volume. To the extent an Underlying Servicer fails to fully perform its obligations, the Certificates could experience losses as the Master Servicer has complete discretion as to how to manage the Underlying Servicers. To the extent the Master Servicer decides to transfer servicing of all or a portion of the Mortgage Loans, such transfer could cause a disruption in collections due to data input errors, misapplied or misdirected payments, inadequate mortgagor notification, system incompatibilities and other reasons, which could result in the affected Mortgage Loans experiencing increased delinquencies and defaults, at least for a period of time, until all of the mortgagors are informed of the transfer and the related servicing files and records and all the other relevant data have been obtained by the new servicer. Moreover, a delay in the transfer of servicing could in turn delay necessary servicing actions with respect to such Mortgage Loans, which could delay mortgagor payments or reduce the value realized from such Mortgage Loans.

In addition, Certificateholders (including Freddie Mac, other than in its capacities as Master Servicer, Master Document Custodian, Guarantor and Trustee) do not have the right to directly enforce remedies against an Underlying Servicer and instead must rely on the Trustee or the Master Servicer, as the case may be, to enforce their rights under the Pooling and Servicing Agreement. If the Trustee or the Master Servicer is required to take action under the terms of the Pooling and Servicing Agreement, or if the applicable party fails to take action, Certificateholders could experience losses.

To the extent that a Master Servicer Event of Default exists, investors are limited in their rights against the Master Servicer. If such Event of Default occurs and certain conditions are satisfied, holders of more than 50% of the aggregate Voting Rights of all of the Classes of Subordinate Certificates or, if a Guarantor Nonpayment Event exists, more than 50% of the aggregate Voting Rights of all of the Classes of Senior and Subordinate Certificates, can direct the Trust Agent to pursue legal remedies against the Master Servicer. The Trust Agent is required to pursue such actions only under the limited circumstances described in this Offering Circular. It may

be difficult to obtain the number of Certificateholder votes needed to direct the Trust Agent to pursue such an action. Furthermore, there can be no assurance that if the Trust Agent pursues any such action, that such action will be successful. Moreover, FHFA could require Freddie Mac to resign as Master Servicer.

Regulators May Require Freddie Mac to Employ Certain Strategies Which May Result in Losses to Certificates

Real estate properties owned by the Trust (**"REO Properties"**) will be managed by HomeSteps, a Freddie Mac branded program. FHFA, our regulator and conservator, may require HomeSteps to employ community stabilization strategies, such as maintaining properties at potentially higher than the minimum standards and leasing REO Properties, potentially at below market rents, in lieu of prompt liquidation, to address various national housing policy goals (*e.g.*, to house victims of natural disasters, reduce community blight and related risks to decreased housing prices in a community). While such strategies may have a positive impact on a community by stabilizing prices and reducing crime and vandalism as well as having a macro economic benefit to investors in the housing and mortgage industry as a whole, the additional expenses to employ such strategies and the impact on the ultimate liquidation value of the REO, absent a sufficient rise in housing prices, could result in Realized Losses being allocated to the Certificates.

Impact of Potential Military Action and Terrorist Attacks

The effects that military action by United States forces in other regions and terrorist attacks within or outside the United States may have on the performance of the Mortgage Loans cannot be determined at this time. Prospective investors should consider the possible effects on delinquency, default and prepayment experience of the Mortgage Loans. Federal agencies and non-government lenders have and may continue to defer, reduce or forgive payments and delay foreclosure proceedings in respect of Mortgage Loans to mortgagors affected in some way by recent and possible future events.

The Servicemembers Civil Relief Act (the **"Relief Act"**), similar state military relief laws and Freddie Mac's policies relating to servicemembers may require payment reduction or foreclosure forbearance to some mortgagors and their dependents. Moreover, federal and state agencies have deferred, reduced or forgiven and may continue to defer, reduce or forgive payments and delay foreclosure proceedings for Mortgage Loans to mortgagors affected in some way by possible future military action, deployment or terrorist attacks whether or not they are servicemembers or their dependents. Any such delays may impact the Offered Certificates. However, any resulting interest rate reductions will not be borne by the Trust, as the Master Servicer is required to remit interest at the Trust Mortgage Rate, which does not give effect to such reduction.

Mortgage Loan Historical Information is Not Indicative of Future Performance of the Mortgage Pool

The information with respect to the Mortgage Loans and Freddie Mac's mortgage loans generally in this Offering Circular or otherwise made available to investors is historical in nature and should not be relied upon as indicative of the future performance of the Mortgage Loans. In the past, historical information was not indicative of future performance due to various factors, including changes in lending standards, availability of affordable mortgage products, the general state of the economy and housing prices.

Governance and Regulation

The Dodd-Frank Act and Related Regulation May Adversely Affect Our Business Activities and the Trust

The Dodd-Frank Act, which was signed into law on July 21, 2010, significantly changed the regulation of the financial services industry and could affect the purchase and servicing of loans, in substantial and unforeseeable ways and have an adverse effect on the Mortgage Loans and the operations of our Underlying Sellers and Underlying Servicers. The Dodd-Frank Act and related current and future regulatory changes could affect the servicing value of the Mortgage Loans, require Freddie Mac and its Underlying Sellers and Underlying Servicers to change certain business practices relating to the Mortgage Loans and make the servicing of Mortgage Loans significantly more expensive. Freddie Mac and its sellers and servicers will also face a more complicated regulatory environment due to the Dodd-Frank Act and related current and future regulatory changes, which will increase compliance and operational costs. It is possible that any such changes will adversely affect the servicing of the Mortgage Loans.

Implementation of the Dodd-Frank Act was accomplished through numerous rulemakings by the CFPB and other federal agencies and entities. For example, the CFPB has issued a final rule, which became effective on January 10, 2014, specifying the characteristics of a "qualified mortgage". In addition, certain legislative initiatives, if adopted, could modify Dodd-Frank Act requirements and related regulatory requirements. It could be difficult for Freddie Mac and its sellers and servicers, including the Underlying Sellers and Underlying Servicers, to comply with any future regulatory changes in a timely manner, due to the potential scope and number of such changes, which could interfere with the servicing of the Mortgage Loans, limit default management and our loss mitigation options and lead to an increased likelihood of Certificate Realized Losses or Certificate Writedown Amounts.

Further, the final servicing rules promulgated by the CFPB to implement certain sections of the Dodd- Frank Act, effective January 10, 2014, require servicers to, among other things, make good faith early intervention efforts to notify delinquent mortgagors of loss mitigation options and, to the extent that loss mitigation options are offered to mortgagors, to implement loss mitigation procedures and if feasible, exhaust all loss mitigation options before initiating foreclosure. All of the Mortgage Loans secured by principal residences are subject to the CFPB servicing rules. It is possible that an Underlying Servicer's failure to comply with the new servicing protocols could adversely affect the value of the Certificates.

Risks Associated With Mortgage Loan Origination or Ownership

As described in *"— Violation of Various Federal, State and Local Laws May Result in Losses on the Mortgage Loans,"* TILA provides that subsequent purchasers of mortgage loans originated in violation of certain requirements specified in TILA may have liability for such violations. As described more fully above under *"— The Dodd-Frank Act and Related Regulation May Adversely Affect Our Business Activities and the Trust"*, the CFPB has issued regulations, which became effective in January 2014, specifying the standards for a "qualified mortgage" that would have the benefit of a safe harbor from such liability if certain requirements are satisfied, or a rebuttable presumption from such liability if only certain of these requirements are satisfied. The regulations apply only to mortgage loans for which an application was received on or after the effective date of January 10, 2014. Except for business purpose loans (7.7% of the Mortgage Loans are secured by investor properties and are referred to as "business purpose loans"), which are "exempt", all of the Mortgage Loans are subject to the Ability to Repay Rules (**"ATR Rules"**), which amends Regulation Z to require that creditors make a good faith determination that a consumer will have a reasonable ability to repay a residential mortgage loan according to its terms. See Appendix E to this Offering Circular for the representations and warranties that will be made by the Seller with respect to the Mortgage Loans. Various state and local legislatures may adopt similar or more onerous provisions in the future. We are unable to predict how these laws and regulations relating to assignee liability may affect the value of the Certificates.

Governmental Actions May Affect Servicing of Mortgage Loans and May Limit the Underlying Servicer's Ability to Foreclose

The federal government, state and local governments, consumer advocacy groups and others continue to urge servicers to be aggressive in modifying mortgage loans to avoid foreclosure, and federal, state and local governmental authorities have enacted and continue to propose numerous laws, regulations and rules relating to mortgage loans generally, and foreclosure actions particularly. For example, the CFPB released final rules relating to mortgage servicing, which became effective on January 10, 2014, that prohibit a servicer from, among other things, commencing a foreclosure until a mortgage loan secured by a principal residence is more than 120 days delinquent and could delay foreclosure even beyond that time period if the mortgagor applies for a loss mitigation option, such as a modification (*e.g.*, interest payments on the Mortgage Loans could be reduced and, in certain instances, forgiveness of amounts due under the note). If the rate of modifications due to government actions increase it could have an adverse effect on the Certificates. The final rules, among other things, also require servicers to provide certain notices, follow specific procedures relating to loss mitigation and foreclosure alternatives and establish protocols such as assuring that the mortgagor be able to contact a designated person(s) at the servicer to facilitate communications. The expense of complying with these new CFPB servicing standards for a servicer may be substantial.

Any of these laws, regulations and rules may provide new defenses to foreclosure, insulate a servicer from liability for modification of loans without regard to the terms of the Guide or result in limitations on upward adjustment of mortgage interest rates, reduced payments by mortgagors, permanent forgiveness of debt, increased prepayments due to the availability of government-sponsored refinancing initiatives and/or increased reimbursable servicing expenses may result in delays in payments on the Mortgage Loans, all of which may lead to increased Realized Losses and Certificate Writedown Amounts. In addition, these laws, regulations and rules may increase the likelihood of a modification of a Mortgage Loan with respect to a delinquent mortgagor rather than a foreclosure.

Several courts and state and local governments and their elected or appointed officials also have taken steps to slow the foreclosure process or prevent foreclosures altogether. A number of these laws have been enacted, including in California. These laws, regulations and rules will result in delays in the foreclosure process, and may lead to reduced payments by mortgagors or increased reimbursable servicing expenses. For example, on February 9, 2012, HUD, and attorneys general representing 49 states and the District of Columbia reached a settlement agreement with five large mortgage servicers in connection with servicing and foreclosure issues. Consent judgments implementing the agreement were filed in the U.S. District Court in Washington, D.C. in March 2012. The settlement agreement provides for financial relief for homeowners, including mortgage loan principal reduction, refinancing and increased benefits and protections for servicemembers and veterans, and requires a comprehensive reform of mortgage servicing practices for the five servicers. It is possible that future actions against additional servicers will result in similar agreements with similar terms, or that regulations or rules enacted by the CFPB or other governmental entities could require a servicer to implement these types of reforms with respect to the Mortgage Loans. In addition, the State of California enacted in 2012 a “Homeowner’s Bill of Rights”, which requires similar changes in delinquent loan servicing and foreclosure procedures and creates a private right of action permitting mortgagors to bring legal actions against lenders who violate the law. Any such changes to the servicing procedures could, absent the Guarantee, lead to increased Realized Losses (as well as increase the severity of Realized Losses) and therefore result in an increase in Certificate Realized Losses or reductions in yield.

Certificateholders will bear the risk that future regulatory and legal developments may result in losses on their Certificates. The effect on the Certificates will be likely more severe if any of these future legal and regulatory developments occur in one or more states in which there is a significant concentration of mortgaged properties.

The long-term impact of the Dodd-Frank Act and related current and future regulatory changes impacting the Mortgage Loans and the financial services industry in general will depend on a number of factors that are difficult to predict, including the ability to successfully implement any changes to business operations, changes in consumer behavior, and Underlying Seller’s and Underlying Servicer’s responses to the Dodd-Frank Act and related current and future regulatory changes.

Legislative or Regulatory Actions Could Adversely Affect Our Business Activities and the Trust

In addition to the Dodd-Frank Act and the possible reform of Freddie Mac and Fannie Mae discussed in this Offering Circular, our business operations and those of our sellers and servicers may be adversely affected by other legislative and regulatory actions by federal, state, and local governments, including by legislation or regulatory action that changes the loss mitigation, pre-foreclosure, foreclosure and REO management and disposition processes. For example, various states and local jurisdictions have implemented mediation programs designed to bring servicers and mortgagors together to negotiate workout options. These actions could delay the foreclosure process, increase expenses, including by potentially delaying the final resolution of seriously delinquent mortgage loans and the disposition of non-performing assets, and lead to increased Realized Losses and Certificate Writedown Amounts. Freddie Mac and its servicers could also be affected by any legislative or regulatory changes that would expand the responsibilities and liability of servicers and assignees for maintaining vacant properties prior to foreclosure. Freddie Mac and its servicers could be affected by any legislative or regulatory changes that would mandate that Freddie Mac and its servicers pursue foreclosure if they are unable to enter into an alternative to foreclosure or otherwise sell or donate mortgage loans generally to a third party, despite the fact that the foreclosure process and resulting maintenance and disposition of the related REO Property, including any liability and clean-up costs associated with a property, present a risk of ownership

(e.g., environmental or similar owner/operator liability) that exceeds the value of the property. These laws and regulatory changes could significantly expand mortgage costs and liabilities leading to negative effects on the Trust. The Trust could also be affected by legislative or regulatory changes that permit or require principal reductions or forgiveness, including through the bankruptcy process, which could also affect how we determine principal prepayments (*e.g.*, if Freddie Mac is permitted or required to effect forgiveness with respect to certain delinquent Mortgage Loans, any such forgiven amount with respect to a Distribution Date could result in an increased amount of unscheduled principal (to the extent amounts are forgiven), which will lead to an increased amount of principal being paid on the related Certificates for such Distribution Date). These laws and regulations are sometimes created with little or no advance warning and Freddie Mac and our sellers and servicers may have limited ability to participate in the legislative or regulatory process. In the event that a Mortgage Loan is granted any forgiveness and subsequently defaults, the Master Servicer will be reimbursed from the Trust for any prior Forgiveness Advances.

In August 2014, the SEC adopted substantial revisions to Regulation AB and other rules regarding the offering process, disclosure and reporting for asset-backed securities. Among other things, the changes require (i) commencing with offerings after November 23, 2016, enhanced disclosure of loan level information at the time of securitization and on an ongoing basis, (ii) that the transaction agreements provide for review of the underlying assets by an independent asset representations reviewer if certain trigger events occur and (iii) periodic assessments of an asset-backed security issuer's continued ability to conduct shelf offerings. Also in August 2014, the SEC issued final rules encompassing a broad category of new and revised rules applicable to NRSROs. These rules include new provisions that require (i) issuers or underwriters of rated asset-backed securities to furnish a Form ABS-15G that contains the findings and conclusions of reports of third-party due diligence providers, (ii) third-party due diligence providers to provide a form with certain information to NRSROs regarding their due diligence services, findings and conclusions, and a certification as to their review and (iii) NRSROs to make publicly available the forms provided by any third-party due diligence providers. In addition, pursuant to the Dodd-Frank Act, in October 2014, the SEC and other regulators adopted risk retention rules, effective for certain securitizations issued on or after December 24, 2015, that require, among other things, that a sponsor, its affiliate or certain other eligible parties retain at least 5% of the credit risk underlying a non-exempt securitization, and in general prohibit the transfer or hedging of, and restrict the pledge of, the retained credit risk; the risk retention rules took effect for non-exempt residential mortgage-backed securities transactions issued on or after December 24, 2015 and will take effect on December 24, 2016 for all other non-exempt securitizations issued on or after that date. We cannot predict what effect these new rules will have on the marketability of asset-backed securities. See *"Description of the Mortgage Loans — Credit Risk Retention"* for a discussion of the application of these rules in this transaction and for the initial credit risk retained by Freddie Mac.

Effective January 1, 2014, EU Regulation 575/2013 imposes on European Economic Area (**"EEA"**) credit institutions and investment firms investing in securitizations issued on or after January 1, 2011, or in securitizations issued prior to that date where new assets are added or substituted after December 31, 2014: (a) a requirement (the **"Retention Requirement"**) that the originator, securitization sponsor or original lender of such securitization has explicitly disclosed that it will retain, on an ongoing basis, a material net economic interest which, in any event, will not be less than 5%; and (b) a requirement (the **"Due Diligence Requirement"**) that the investing credit institution or investment firm has undertaken certain due diligence in respect of the securitization and the underlying exposures and has established procedures for monitoring them on an ongoing basis.

National regulators in EEA member states impose penal risk weights on securitization investments in respect of which the Retention Requirement or the Due Diligence Requirement has not been satisfied in any material respect by reason of the negligence or omission of the investing credit institution or investment firm. If the Retention Requirement or the Due Diligence Requirement is not satisfied in respect of a securitization investment held by a non-EEA subsidiary of an EEA credit institution or investment firm then an additional risk weight may be applied to such securitization investment when taken into account on a consolidated basis at the level of the EEA credit institution or investment firm.

Requirements similar to the Retention Requirement and the Due Diligence Requirement (the **"Similar Requirements"**): (i) apply to investments in securitizations by investment funds managed by EEA investment managers subject to the Alternative Investment Fund Managers Directive (EU Directive 2011/61/EU); (ii) apply

to investments in securitizations by EEA insurance and reinsurance undertakings subject to the Solvency II Directive (EU Directive 2009/138/EC, as amended); and (iii) subject to the adoption of certain secondary legislation, will apply to investments in securitizations by EEA insurance and reinsurance undertakings and by EEA undertakings for collective investment in transferable securities.

On September 30, 2015, the European Commission published a proposal for a new regulation (the **"Securitisation Regulation"**) which, if adopted, would, among other things, recast the Retention Requirement, the Due Diligence Requirement and the Similar Requirements and, additionally, would make applicable to investments in securitizations by EU occupational pension schemes, risk retention and due diligence requirements similar to such recast requirements.

Investors should be aware that, in the form proposed by the European Commission, the Securitisation Regulation would make material changes to the Retention Requirement, the Due Diligence Requirement and the Similar Requirements. In order to become effective, the Securitisation Regulation must be adopted by the European Council of Ministers and the European Parliament. There can be no assurance that the Securitisation Regulation will be adopted in the form proposed by the European Commission. While it is expected that the Securitisation Regulation will become effective during 2016, the timing for adoption is uncertain. In the form proposed by the European Commission, the Securitisation Regulation provides that transactions issued prior to it becoming effective are not subject to the recast Retention Requirement or the retention rules comprised in the recast Similar Requirements, but that such transactions are subject to the recast Due Diligence Requirement and the due diligence rules comprised in the recast Similar Requirements.

None of Freddie Mac, the Underwriters, the Securities Administrator, the Trust Agent, their respective affiliates or any other person intends to retain a material net economic interest in the securitization constituted by the issuance of the Certificates in accordance with the Retention Requirement or to take any other action which may be required by EEA-regulated investors for the purposes of their compliance with the Retention Requirement, the Due Diligence Requirement or Similar Requirements. Consequently, the Certificates are not a suitable investment for EEA credit institutions, investment firms or the other types of EEA regulated investors mentioned above. As a result, the price and liquidity of the Certificates in the secondary market may be adversely affected. EEA-regulated investors are encouraged to consult with their own investment and legal advisors regarding the suitability of the Certificates for investment.

Investors should also independently assess and determine whether they are directly or indirectly subject to market risk capital rules jointly promulgated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve and the Federal Deposit Insurance Corporation (the **"FDIC"**) that became effective on January 1, 2013. Any prospective investor that is subject to these rules should independently assess and determine its ability to comply with the regulatory capital treatment and reporting requirements that may be required with respect to the purchase of a Certificate and what impact any such regulatory capital treatment and reporting requirements may have on the liquidity or market value of the Certificates.

All of these events could have a material adverse impact on the Certificateholders.

Risks Associated With the Investment Company Act

The Issuer has not registered with the SEC as an investment company pursuant to the Investment Company Act, in reliance of the exception provided in Section 3(c)(5)(C) of the Investment Company Act, although other exceptions may be applicable. The Issuer has been structured with the intent that it not constitute a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Act.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required to register as an investment company under the Investment Company Act, but had failed to do so, possible consequences include, but are not limited to, the following: (i) an application by the SEC to a district court to enjoin the violation; and (ii) any contract to which the Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation may be deemed unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, the Issuer and Certificateholders could be materially and adversely affected.

In December 2013, the banking regulators and other agencies principally responsible for banking and financial market regulation in the United States implemented the final rule under the so-called Volcker Rule under the Dodd-Frank Act, which in general prohibits "banking entities" (as defined therein) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring certain "covered funds" (broadly defined to include any entity that would be an investment company under the Investment Company Act but for the exemptions provided in Section 3(c)(1) or 3(c)(7) thereof) and certain similar funds and (iii) entering into certain relationships with such funds.

Although the Issuer does not rely upon the exemptions in Section 3(c)(1) or 3(c)(7) of the Investment Company Act for an exemption from being an investment company under the Investment Company Act, the general effects of the final rules implementing the Volcker Rule remain uncertain.

Any prospective investor in the Certificates, including a U.S. or foreign bank or an affiliate or subsidiary thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule and regulatory implementation.

Risks Related to the Potential Elimination or Reduction of the Mortgage-Interest Tax Deduction

Various tax reform proposals continue to circulate in Congress, some of which would change the manner in which home interest deductions are treated. It is unclear whether any of the pending tax reform proposals will be enacted, either piecemeal as revenue raisers or as part of a more comprehensive package of tax reforms. Elimination or further restrictions on the mortgage-interest tax deduction could negatively affect the U.S. housing market, the market value of residential mortgage loans and the Certificates.

Violation of Various Federal, State and Local Laws May Result in Losses on the Mortgage Loans

Applicable state and local laws generally regulate interest rates and other charges, require specific disclosure and require licensing of the originator. In addition, other state and local laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, servicing and collection of the Mortgage Loans.

The Mortgage Loans are also subject to federal laws, including:

- the Federal Truth-in-Lending Act (**"TILA"**) and Regulation Z promulgated thereunder (including the TILA-RESPA Know Before You Owe Integrated Disclosure Rule (**"TRID"**)), which require specific disclosures to mortgagors regarding the terms of mortgage loans;
- the Homeownership and Equity Protection Act (**"HOEPA"**), as amended by the Dodd-Frank Act, and state, county and municipal "high cost" laws and ordinances enacted to combat predatory or abusive lending;
- the Equal Credit Opportunity Act and Regulation B promulgated thereunder, which prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit;
- the Fair Credit Reporting Act, which regulates the use and reporting of information related to the mortgagor's credit experience; and
- the Real Estate Settlement and Procedures Act (**"RESPA"**), as amended, and Regulation X promulgated thereunder, which impose requirements pertaining to the (a) disclosure of certain terms of mortgage loans prior to origination and during the servicing life of the loan, and (b) mitigation and foreclosure activities, among other requirements, which are implemented through TRID for mortgage loan applications received on or after October 3, 2015.

Depending on the provisions of the applicable law and the specific facts and circumstances involved, violations of these federal or state laws, policies and principles may limit the ability to collect all or part of the principal of, or interest on, the Mortgage Loans, may result in a defense to foreclosure or an "unwinding" or rescission of the Mortgage Loans and may entitle the mortgagor to a refund of amounts previously paid, which

may reduce the Liquidation Proceeds received with respect to a Mortgage Loan and therefore, may, absent repurchase of the Mortgage Loan by the Seller, increase the Realized Losses allocated to the Certificates. See *"Certain Legal Aspects of the Mortgage Loans"*.

Violations of TRID May Result in Losses

The CFPB has promulgated TRID, which became effective for mortgage loans whose applications were received on or after October 3, 2015. The purpose of TRID is to reconcile and improve overlapping disclosure obligations under TILA and RESPA relating to residential mortgage loans. A number of violations of TRID have been reported in the marketplace since it became effective. There are interpretive uncertainties under TRID, both as to the liability associated with some of the violations and as to whether and how some of the violations may be cured. Although TRID provides for a mechanism to cure certain non-numerical "clerical" errors in the closing disclosure, uncertainties remain as to liability for violating other requirements in the closing disclosure and in the loan estimate, including some minor or technical violations that may not be covered by TRID's cure mechanism. On December 29, 2015, the Director of the CFPB released a letter that provides informal guidance with respect to some of these uncertainties and on April 28, 2016, the Director of the CFPB announced that the CFPB has begun drafting a Notice of Proposed Rulemaking regarding proposed changes to the regulatory text of TRID and related commentary in order to provide further guidance.

Liability under TILA for violations of TRID may include actual damages, statutory damages, attorney's fees and court costs. Further, for certain loans, the right of rescission may be extended to three years from consummation if there were errors in certain "material disclosures" required under TRID. Assignees of the mortgage loan may be liable for violating TRID where the violation is apparent on the face of the disclosure and the assignment was voluntary. A significant number of the Mortgage Loans (approximately 343 Mortgage Loans) are subject to TRID. Freddie Mac and the Diligence Provider did not conduct a post-purchase mortgage loan file review for any of the Mortgage Loans for technical compliance with TRID; however, consistent with current practices, Freddie Mac and the Diligence Provider did evaluate whether the correct disclosure forms were used in connection with the origination of the Mortgage Loans that were reviewed by Freddie Mac and the Diligence Provider as described herein under *"General Mortgage Loan Purchase and Servicing — Due Diligence Review"*. As a result, it is possible that certain Mortgage Loans that are subject to TRID may have violations of TRID of which Freddie Mac is not aware.

Special Assessments, Energy Efficiency and Homeowner Association Liens May Take Priority Over the Mortgage Lien

Mortgaged properties securing the Mortgage Loans may be subject to the lien of special property taxes and/or special assessments and liens that secure payment of periodic dues to homeowner associations. These liens may be superior to the liens securing the Mortgage Loans, irrespective of the date of the mortgage.

In some instances, individual mortgagors may be able to elect to enter into contracts with governmental agencies for Property Assessed Clean Energy (**"PACE"**) or similar assessments that are intended to secure the payment of energy and water efficiency and distributed energy generation improvements that are permanently affixed to their properties, possibly without notice to or the consent of the mortgagee. These assessments may also have lien priority over the mortgages securing the Mortgage Loans or may survive a foreclosure action, thereby impacting the subsequent disposition of an REO Property subject to a PACE lien. No assurance can be given that any mortgaged property so assessed will increase in value to the extent of the assessment lien. Additional indebtedness secured by the assessment lien would reduce the amount of the value of the mortgaged property available to satisfy the affected Mortgage Loan if certain losses were to occur, and could therefore reduce the Net Liquidation Proceeds received with respect to such Mortgage Loan (and ultimately increase Certificate Realized Losses).

In numerous states, unpaid dues owed to a homeowner or condominium association may result in a lien on the related mortgaged property that has priority over the lien of a mortgage. If the holder of such a homeowner association lien forecloses on the related mortgaged property, the lien of the mortgage may be extinguished, resulting in losses on the related mortgage loan.

Risks Relating to Freddie Mac

In addition to the risks relating to Freddie Mac set forth below, investors should carefully consider the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated in this Offering Circular by reference.

The Conservator May Repudiate Freddie Mac's Contracts, Including Its Guarantee and Other Obligations Related to the Offered Certificates

On September 6, 2008, the FHFA was appointed Freddie Mac's conservator by the FHFA director. See *"Freddie Mac — Conservatorship and Related Matters"*. The conservator has the right to transfer or sell any asset or liability of Freddie Mac, including its Guarantee obligation, without any approval, assignment or consent. If the conservator were to transfer Freddie Mac's Guarantee obligation to another party, holders of the Offered Certificates would have to rely on that party for the satisfaction of the Guarantee obligation and would be exposed to the credit risk of that party. Freddie Mac is also the Seller and as such has certain obligations to repurchase Mortgage Loans (or make indemnification payments in the case of Liquidated Mortgage Loans) in the event of Material Breaches of certain representations or warranties. If the conservator were to transfer Freddie Mac's repurchase and indemnification obligations as Seller to another party, holders of the Certificates would have to rely on that party for satisfaction of such repurchase and indemnification obligations and would be exposed to credit risk of that party.

Future Legislation and Regulatory Actions Will Likely Affect the Role of Freddie Mac

Future legislation will likely materially affect the role of Freddie Mac, its business model, its structure and future results of operations. Some or all of Freddie Mac's functions could be transferred to other institutions, and it could cease to exist as a stockholder-owned company or at all.

On February 11, 2011, the Obama Administration delivered a report to Congress that lays out the Administration's plan to reform the U.S. housing finance market, including options for structuring the government's long-term role in a housing finance system in which the private sector is the dominant provider of mortgage credit. The report recommends winding down Freddie Mac and Fannie Mae, stating that the Administration will work with FHFA to determine the best way to responsibly reduce the role of Freddie Mac and Fannie Mae in the market and ultimately wind down both institutions. The report recommends using a combination of policy levers to wind down Freddie Mac and Fannie Mae, shrink the government's footprint in housing finance, and help bring private capital back to the mortgage market, including: (i) increasing guarantee fees; (ii) increasing private capital ahead of Freddie Mac and Fannie Mae guarantees and phasing in a 10% down payment requirement; (iii) reducing conforming loan limits; and (iv) winding down Freddie Mac and Fannie Mae's investment portfolios.

In addition to legislative actions, FHFA has expansive regulatory authority over Freddie Mac, and the manner in which FHFA will use its authority in the future is unclear. FHFA could take a number of regulatory actions that could materially adversely affect Freddie Mac, such as changing or reinstating current capital requirements, which are not binding during conservatorship.

FHFA Could Terminate the Conservatorship by Placing Us into Receivership, Which Could Adversely Affect Our Guarantee and Other Performance under the Pooling and Servicing Agreement

Under the Reform Act, FHFA must place us into receivership if the director of FHFA makes a determination in writing that our assets are, and for a period of 60 days have been, less than our obligations, or if we are not, and for a period of 60 days have not been, generally paying our debts as they become due. FHFA has notified us that the measurement period for any mandatory receivership determination with respect to our assets and obligations would commence no earlier than the SEC public filing deadline for its quarterly or annual financial statements and would continue for sixty calendar days after that date.

In addition, Freddie Mac could be put into receivership at the discretion of the director of FHFA at any time for other reasons, including conditions that FHFA has already asserted existed at the time Freddie Mac was placed into conservatorship. These include: a substantial dissipation of assets or earnings due to unsafe or

unsound practices; the existence of an unsafe or unsound condition to transact business; an inability to meet its obligations in the ordinary course of business; a weakening of its condition due to unsafe or unsound practices or conditions; critical undercapitalization; the likelihood of losses that will deplete substantially all of its capital; or by consent. A receivership would terminate the conservatorship. The appointment of FHFA (or any other entity) as Freddie Mac's receiver would terminate all rights and claims that its creditors may have against Freddie Mac's assets or under its charter arising as a result of their status as creditors, other than the potential ability to be paid upon Freddie Mac's liquidation. Unlike a conservatorship, the purpose of which is to conserve Freddie Mac's assets and return it to a sound and solvent condition, the purpose of a receivership is to liquidate Freddie Mac's assets and resolve claims against Freddie Mac.

In the event of a liquidation of Freddie Mac's assets, there can be no assurance that there would be sufficient proceeds to pay the secured and unsecured claims of the company, repay the liquidation preference of any series of its preferred stock or make any distribution to the holders of its common stock. To the extent that Freddie Mac is placed in receivership and does not or cannot fulfill its guarantee or other contractual obligations to the holders of its mortgage-related securities, including the Certificates, such holders could become unsecured creditors of Freddie Mac with respect to claims made under Freddie Mac's guarantee or its other contractual obligations.

As receiver, FHFA could repudiate any contract entered into by us prior to its appointment as receiver if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of our affairs. The Reform Act requires that any exercise by FHFA of its right to repudiate any contract occur within a reasonable period following its appointment as receiver.

If FHFA, as receiver, were to repudiate our obligations under the Pooling and Servicing Agreement, the receivership estate would be liable for actual direct compensatory damages as of the date of receivership under the Reform Act. Any such liability could be satisfied only to the extent that our assets were available for that purpose.

Moreover, if Freddie Mac's Guarantee obligations were repudiated, distributions to the holders of the Offered Certificates would be reduced to the extent of Interest Deficiency Amounts and Principal Deficiency Amounts arising on any Distribution Date subsequent to such repudiation. Any actual direct compensatory damages owed as a result of the repudiation of Freddie Mac's Guarantee obligations may not be sufficient to offset any shortfalls experienced by the holders of the Offered Certificates.

During a receivership, certain rights of the holders of the Certificates under the Pooling and Servicing Agreement may not be enforceable against FHFA, or enforcement of such rights may be delayed.

The Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which we are a party, or obtain possession of or exercise control over any property of ours, or affect any contractual rights of ours, without the approval of FHFA as receiver, for a period of 90 days following the appointment of FHFA as receiver.

Freddie Mac is Dependent Upon the Support of Treasury

We are dependent upon the continued support of Treasury in order to continue operating our business. Our ability to access funds from Treasury under the Purchase Agreement is critical to keeping us solvent and avoiding appointment of a receiver by FHFA under statutory mandatory receivership provisions. Any deterioration in our financial position and any discontinued support of the Treasury could result in Realized Losses and Certificate Writedown Amounts being allocated to the Certificates, in the absence of the Guarantee. See *"Freddie Mac — Purchase Agreement."*

Freddie Mac's Changes in Business Practices May Negatively Impact the Certificateholders

Freddie Mac has a set of policies and procedures that it follows in the normal course of its mortgage loan purchase and servicing business, which are generally described in this Offering Circular. Freddie Mac has indicated that certain of these practices are subject to change over time, as a result of changes in the economic environment and as a result of regulatory changes and changes in requirements of its regulators, or its Conservator, among other reasons. Freddie Mac may at any time change its practices as they relate to servicing

requirements for its servicers, quality control policies and quality assurance policies, as well as other policies and procedures that may, in their current forms, benefit the Certificateholders. See *"General Mortgage Loan Purchase and Servicing — Freddie Mac Quality Control Process"*. In undertaking any changes to its practices or its policies and procedures, Freddie Mac may exercise complete discretion and may undertake changes that negatively impact the Certificateholders in pursuing other interests, including, but not limited to, minimizing losses for the taxpayers and complying with requirements put forth by its regulators, among others.

Investment Factors and Risks Related to the Certificates

The Offered Certificates May Not Be Repaid in Full

The Offered Certificates do not represent obligations (or interests in obligations) of any person or entity other than the Trust and Freddie Mac and do not represent a claim against any assets other than those of the Trust. No governmental agency or instrumentality other than Freddie Mac will guarantee or insure payment on the Offered Certificates. If the Trust or Freddie Mac is unable to make distributions on the Offered Certificates, no other assets will be available to you for payment of the deficiency, and you will bear the resulting loss.

Credit Support Available From the Subordinate Certificates Is Limited and May Not Be Sufficient to Prevent Loss on Your Certificates

Although subordination provided by the Class B, Class M-2 and Class M-1 Certificates is intended to reduce the risk of exposure of the Offered Certificates to the reduction of their Class Principal Amounts from the allocation of Realized Losses and Certificate Writedown Amounts, the amount of such subordination will be limited and may decline under certain circumstances described in this Offering Circular.

If we were to experience significant financial difficulties, or if FHFA placed us in receivership and our guarantor obligation was repudiated as described above in *"— Risks Relating to Freddie Mac,"* the holders of the Offered Certificates may suffer losses as a result of the various contingencies described in this *"Risk Factors"* section and elsewhere in this Offering Circular. The Offered Certificates, including interest thereon, are not guaranteed by the United States and do not constitute debts or obligations (or interests in debts or obligations) of the United States or any agency or instrumentality of the United States other than the guarantee obligations of Freddie Mac.

Moreover, certain scheduled principal payments on the Mortgage Loans may be included in the Interest Remittance Amount and distributed to Certificateholders as interest, thereby eliminating or reducing interest shortfalls to the Certificates (other than the Class B Certificates) resulting from reimbursement of Expenses or modifications to Mortgage Loans that provide for interest rate reductions. See "*Description of the Certificates — Modifications and Expenses*". Any such principal payments on the Mortgage Loans that are remitted to Certificateholders in the form of interest will result in an equal amount of Realized Loss allocated to the Class B Certificates, thereby reducing credit support to the Offered Certificates.

Changes in the Market Value of the Certificates May Not Be Reflective of the Performance or Anticipated Performance of the Mortgage Loans

The market value of the Certificates may be volatile. These market values can change rapidly and significantly and changes can result from a variety of factors. However, a decrease in market value may not necessarily be the result of deterioration in the performance or anticipated performance of the Mortgage Loans. For example, changes in interest rates, perceived risk, supply and demand for similar or other investment products, accounting standards, capital requirements that apply to regulated financial institutions and other factors that are not directly related to the Mortgage Loans can adversely and materially affect the market value of the Certificates.

Legal and Regulatory Provisions Affecting Investors Could Adversely Affect the Liquidity of the Certificates, Which May Limit Investors' Ability to Sell the Certificates

We note that regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire securities such as the Certificates, which in turn may adversely affect the ability of investors in the Certificates who are not subject to those provisions to resell their

Certificates in the secondary market. For example, Section 619 of the Dodd-Frank Act added a provision, commonly referred to as the **"Volcker Rule"**, to federal banking laws to generally prohibit various covered banking entities from, among other things, engaging in proprietary trading in securities and derivatives, subject to certain exemptions. Section 619 became effective on July 21, 2012, and final regulations were issued on December 10, 2013. Conformance with the Volcker Rule's provisions was required by July 21, 2015. The Volcker Rule and those regulations restrict certain purchases or sales of securities generally and derivatives by banking entities if conducted on a proprietary trading basis. The Volcker Rule's provisions may adversely affect the ability of banking entities to purchase and sell the Certificates.

The Offered Certificates May be Retired Early

The Certificates may be retired early if we exercise our right of Optional Termination as described under "*Summary of Terms — Optional Termination*". Any such Optional Termination may result in the receipt of principal on the Certificates prior to the Final Scheduled Distribution Date or the date anticipated by investors and may reduce prospective investors' yield or cause prospective investors to incur losses on investments in the Certificates.

The Offered Certificates Will Not Be Rated by a Rating Agency on the Closing Date

We have not engaged any nationally recognized statistical rating organization (**"NRSRO"**) to rate the Offered Certificates on the Closing Date and we have no intention to do so in the future. The lack of a rating reduces the potential liquidity of the Offered Certificates and thus may affect the market value of such Offered Certificates. In addition, the lack of a rating may reduce the potential for, or increase the cost of, financing the purchase and/or holding of the Offered Certificates. An unsolicited rating could be assigned to the Offered Certificates at any time, including prior to the Closing Date, and none of Freddie Mac, the Underwriters or any affiliates of the Underwriters will have any obligation to inform you of any such unsolicited rating.

There is the possibility of unsolicited rating by one or more NRSROs in the future. Such rating could also adversely affect the market value of the Offered Certificates.

Moreover, the ratings on the Class M-1 and Class M-2 Certificates may not reflect the potential impact of all risks related to the structure of, or the market for such Certificates, or the additional factors discussed herein and other factors that may affect the value of the Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the Rating Agency.

A Reduction, Withdrawal or Qualification of the Ratings on the Rated Certificates, or the Issuance of an Unsolicited Rating on the Rated Certificates, May Adversely Affect the Market Value of Those Certificates and/or Limit an Investor's Ability to Resell Those Certificates

We have engaged the Rating Agency and will pay them a fee to assign ratings on the Class M-1 and Class M-2 Certificates. We note that the Rating Agency may have a conflict of interest where, as is the industry standard and the case with the rating of such Rated Certificates, the issuer pays the fees charged by the engaged Rating Agency for their ratings services. We have not engaged any other NRSRO to assign ratings on the Rated Certificates and are not aware that any other NRSRO has assigned ratings on the Rated Certificates. However, under effective SEC rules, information provided by or on behalf of us to an engaged NRSRO for the purpose of assigning or monitoring the ratings on the Rated Certificates is required to be made available to all NRSROs in order to make it possible for non-engaged NRSROs to assign unsolicited ratings on the Rated Certificates. An unsolicited rating could be assigned at any time, including prior to the Closing Date, and none of Freddie Mac, the Underwriters or any affiliates of the Underwriters will have any obligation to inform you of any unsolicited ratings assigned after the date of this Offering Circular. NRSROs, including the Rating Agency, have different methodologies, criteria, models and requirements. If any non-engaged NRSRO assigns unsolicited ratings on the Rated Certificates or issues other commentary on the Rated Certificates, there can be no assurance that such ratings will not be lower than the ratings provided by the Rating Agency or that the commentary will not imply a lower rating, which may adversely affect the market value of the Rated Certificates and/or limit an investor's ability to resell the Rated Certificates. In addition, if we fail to make available to the non-engaged NRSROs any information provided to the Rating Agency for the purpose of assigning or monitoring the ratings on the Rated

Certificates, the Rating Agency could withdraw its ratings on the Rated Certificates, which may adversely affect the market value of those Certificates and/or limit an investor's ability to resell the Certificates.

The Ratings on the Rated Certificates May Not Reflect All Risks

The ratings on the Class M-1 and Class M-2 Certificates may not reflect the potential impact of all risks related to the structure of, or the market for, such Rated Certificates, or the additional factors discussed herein and other factors that may affect the value of such Rated Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the Rating Agency. Investors should be aware that legislative, regulatory or other events involving Freddie Mac could negatively affect the ratings of the Rated Certificates.

There May be Limited Liquidity of the Certificates, Which May Limit Investors' Ability to Sell the Certificates

The Certificates will constitute classes of securities issued in only the third transaction of this type. The Certificates are not required to be listed on any national securities exchange or traded on any automated quotation systems of any registered securities association. The Underwriters will have no obligation to make a market in the Certificates. As a result, there can be no assurance as to the liquidity of the market that may develop for the Certificates, or if it does develop, that it will continue. It is possible that investors who desire to sell their Certificates in the secondary market may find no or few potential purchasers and experience lower resale prices than expected. Investors who desire to obtain financing for their Certificates similarly may have difficulty obtaining any credit or credit with satisfactory interest rates which may result in lower leveraged yields and lower secondary market prices upon the sale of the Certificates.

We make no representation as to the proper characterization of the Certificates for legal investment, regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the Certificates under applicable legal investment or other restrictions or as to the consequences of an investment in the Certificates for such purposes or under such restrictions. The liquidity of trading markets for the Certificates may also be adversely affected by general declines or disruptions in the credit markets. Such market declines or disruptions could adversely affect the liquidity of and market for the Certificates independent of the credit performance of the Mortgage Loans. We have no obligation to continue to issue securities similar to the Certificates or with similar terms. FHFA may require us to discontinue issuing such securities or require that alternative risk sharing transactions be effected, thereby affecting the development of the market for the Certificates.

Investors Have No Direct Right to Enforce Remedies

Certificateholders (including Freddie Mac, other than in its capacities as Master Servicer, Trustee, Master Document Custodian and Guarantor) do not have the right to institute any action against an Underlying Servicer or Underlying Seller.

These provisions may limit your personal ability to enforce the provisions of the Pooling and Servicing Agreement. In no event will the Certificateholders have the right to direct the Master Servicer or Trustee to investigate an Underlying Servicer, to inspect the mortgage loan files or servicing files, or to review whether or not a breach of a representation or warranty has occurred. With respect to an Underlying Servicer, Freddie Mac will have the sole discretion to determine whether to undertake such investigation or review, upon taking such investigation or review, whether Freddie Mac deems any findings to be material, and upon concluding that a finding is material whether to terminate the Underlying Servicer, impose additional requirements or whether to waive requirements of the Underlying Servicer.

A Master Servicer Event of Default will not trigger a removal of Freddie Mac from the role of Master Servicer. A Certificateholder's sole course of action in such event is for Certificateholders representing more than 50% of the aggregate Voting Rights of all of the Classes of Subordinate Certificates to vote to request the Trust Agent to take legal action to enforce the Master Servicer's obligation, unless a Guarantor Nonpayment Event exists. If a Guarantor Nonpayment Event exists, then the consent of more than 50% of the aggregate Voting Rights of all of the Classes of Senior Certificates and Subordinate Certificates will be required. To the

extent that such vote does not occur, you will have no remedies upon a Master Servicer Event of Default. Certificateholders may not be successful in obtaining the required percentage of votes because it may be difficult to locate enough investors to achieve the required voting thresholds.

One or more purchasers of Certificates may purchase substantial portions of one or multiple Classes of Certificates. If any Certificateholder or group of Certificateholders holds more than 50% of the aggregate Voting Rights of the Classes of Subordinate Certificates and disagrees with any proposed action, suit or proceeding requiring consent of more than 50% of the aggregate Voting Rights of the Classes of Subordinate Certificates, that Certificateholder or group of Certificateholders may block the proposed action, suit or proceeding. As long as a Guarantor Nonpayment Event does not exist, the Voting Rights of the Senior Certificates will be vested with Freddie Mac, in its capacity as Guarantor. However, if a Guarantor Nonpayment Event exists, then the consent of more than 50% of the aggregate Voting Rights of the Classes of Senior Certificates and Subordinate Certificates will be required to take action with any proposed action, suit or proceeding. In some circumstances, the holders of a specified percentage of the Certificates will be entitled to direct, consent to or approve certain actions. In these cases, this direction, consent or approval will be sufficient to bind all holders of Certificates, regardless of whether you agree with such direction, consent or approval.

Legality of Investment

Each prospective investor in the Certificates is responsible for determining for itself whether it has the legal power, authority and right to purchase such Certificates. None of Freddie Mac, the Underwriters or any of their respective affiliates expresses any view as to any prospective investor's legal power, authority or right to purchase the Certificates. Prospective investors are urged to consult their own legal, tax and accounting advisors as to such matters. See *"Legal Investment"* for additional information.

Rights of Certificate Owners May Be Limited by Book-Entry System

The Certificates will be issued as Book-Entry Certificates and will be held through the book-entry system of DTC, and, as applicable, Euroclear and Clearstream. Transactions in the Book-Entry Certificates generally can be effected only through DTC and Participants (including Euroclear and Clearstream or their respective nominees or depositaries). As a result:

- investors' ability to pledge the Certificates to entities that do not participate in the DTC, Euroclear or Clearstream system, or to otherwise act with respect to the Certificates, may be limited due to the lack of a physical certificate for such Certificates,
- under a book-entry format, an investor may experience delays in the receipt of distributions, because distributions will be made by the Trustee to DTC, Euroclear or Clearstream and not directly to an investor,
- investors' access to information regarding the Certificates may be limited because transmittal of notices and other communications by DTC to its participating organizations and directly or indirectly through those participating organizations to investors will be governed by arrangements among them, subject to applicable law, and
- you may experience delays in your receipt of distributions on Book-Entry Certificates in the event of misapplication of distributions by DTC, DTC participants or indirect DTC participants or bankruptcy or insolvency of those entities, and your recourse will be limited to your remedies against those entities.

For a more detailed discussion of the Book-Entry Certificates, see *"Description of The Certificates — Form, Registration and Transfer of the Certificates*".

Tax Characterization of the Certificates

The Offered Certificates constitute "regular interests" in the Upper-Tier REMIC Pool for U.S. federal income tax purposes. In general, regular interests in a REMIC are taxed as debt instruments for U.S. federal income tax purposes under the Code. See *"Certain Federal Income Tax Consequences"* for additional information.

Downgrade of Long-term Ratings of Eurozone Nations and the United States May Adversely Affect the Market Value of the Certificates

In response to the economic situation facing the European Economic and Monetary Union, or Eurozone, based on factors including tightening credit conditions, higher risk premiums on Eurozone sovereigns and disagreement among European policy makers as to how best to address the declining market confidence with respect to the Eurozone, on January 13, 2012, Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (**"S&P"**), downgraded the long-term credit ratings on nine members of the Eurozone, including Austria, Cyprus, France, Italy, Malta, Portugal, Slovakia, Slovenia and Spain. In addition, on October 10, 2014, S&P downgraded Finland's sovereign debt rating to AA+ from AAA, citing weak economic development and on January 26, 2015, S&P downgraded Russia's sovereign debt rating to BB+ from BBB–, citing the Russian Federation's weakened monetary policy flexibility and economic growth prospects. Also, on August 5, 2011, S&P lowered the long-term sovereign credit rating of U.S. government debt obligations from AAA to AA+ and on August 8, 2011, S&P downgraded the long-term credit ratings of U.S. government-sponsored enterprises. In addition, on June 23, 2016, the United Kingdom voted to exit the Eurozone. As a result, S&P downgraded the United Kingdom's credit rating from AAA to AA and Fitch changed its rating from AA+ to AA. It is uncertain what effect this vote to exit the Eurozone will have on the remaining countries in the Eurozone or on the value or liquidity of the Offered Certificates.

These actions initially had an adverse effect on financial markets and although we are unable to predict the longer-term impact on such markets and the participants therein, it might be materially adverse to the value of the Certificates.

The Interests of Freddie Mac, the Underwriters and Others May Conflict With and be Adverse to the Interests of the Certificateholders

The Relationships Among Freddie Mac, Servicers and Sellers are Multifaceted and Complex

We have various multifaceted and complex relationships with our servicers and sellers. This complexity increased as a result of the economic conditions experienced in 2007 and the periods that followed and as a result of disputes regarding various matters, including responsibility for deteriorations in the value of mortgage loans and mortgage securities. We purchase a significant portion of our mortgage loans from several lenders. These lenders are among the largest mortgage loan originators in the U.S. Further, we have many other relationships with these parties or their affiliates, including as counterparties to debt funding and derivative transactions. As discussed in more detail below, these various relationships can create circumstances, including disputes, that result in interests and incentives that are or may be inconsistent with or adverse to the interests of holders of mortgage securities, including the Certificates.

Interests of Freddie Mac May Not be Aligned With the Interests of the Certificateholders

In conducting our business, including the acquisition, financing, securitization and servicing of Mortgage Loans, we maintain on-going relationships with our sellers and servicers. As a result, while we may have contractual rights to enforce obligations that our sellers and servicers may have, we may elect not to do so or we may elect to do so in a way that serves our own interests (including, but not limited to, working with our regulators toward housing policy objectives, maintaining strong on-going relationships with our sellers and servicers and maximizing interests of the taxpayers) without taking into account the interests of the Certificateholders. In 2011, FHFA, as Conservator for Freddie Mac and Fannie Mae, filed lawsuits against various financial institutions and related defendants seeking to recover losses and damages allegedly sustained by Freddie Mac and Fannie Mae as a result of their investments in certain mortgage securities issued or sold by these financial institutions or their affiliates. These institutions include some of our largest sellers, servicers and underwriters, including Underwriters for this offering. In these actions, FHFA claimed that the sellers, and various affiliates, made misrepresentations regarding mortgage loans that backed the residential mortgage-backed securities purchased by Freddie Mac and Fannie Mae. These actions include claims under various state and federal statutes and with respect to some of these actions, claims under state common law theories such as fraud, fraudulent inducement, fraudulent concealment, negligent misrepresentation, and aiding and abetting fraud. The claims are predicated upon various factual allegations, including that the offering materials for the mortgage

securities issued in connection with the securitizations falsely represented, among other things: (1) various characteristics of the mortgage loans (including loan-to-value and debt-to-income ratios and home occupancy status); and (2) that the mortgage loans were originated in accordance with certain underwriting guidelines. In connection with these lawsuits, our Conservator has taken the position that mortgage loan originators abandoned their own underwriting standards and issued loans without regard to borrowers' ability to repay them. In addition, Freddie Mac has directed certain trustees to file lawsuits against certain sellers of mortgage loans alleging breach of contract with respect to certain residential mortgage-backed securities purchased by Freddie Mac between 2006 and 2008. We cannot assure you that the existence of any prior, current or future disputes or litigation will not impact the manner in which we act in the future.

Our interests in conducting our business and as Guarantor of the Offered Certificates may be adverse to the interests of the Certificateholders. Freddie Mac, through the issuance of the Subordinate Certificates is transferring certain credit risk that it would otherwise bear with respect to the Mortgage Loans to the extent that the Class Principal Amounts of the Subordinate Certificates are subject to absorbing Realized Losses as described in this Offering Circular. We, in our capacity as Master Servicer, may take action or refrain from taking any action, that may not be in the best interests of the Certificateholders but may be required by FHFA or law. Such action may include revising provisions of the Guide to provide for alternative modification programs or to provide less or more stringent servicing requirements through TOBs. See *"— Risks Relating to the Mortgage Loans — Servicers May Not Follow the Requirements of Our Guide or TOBs, and Servicing Standards May Change Periodically"* above. In implementing new provisions in the Guide, we do not differentiate between Mortgage Loans held by the Trust, backing any other Freddie Mac issued securities or owned by Freddie Mac. In addition, in connection with our role as Seller, we will be acting solely for our own benefit and not as agent or fiduciary on behalf of investors. Also, there is no independent third party engaged with respect to the Certificates to monitor and supervise our activities as Master Servicer.

Potential Conflicts of Interest of the Underwriters and their Affiliates

The activities of the Underwriters and their respective affiliates may result in certain conflicts of interest. The Underwriters and their affiliates may retain, or own in the future, Classes of Certificates, and any voting interest of those Classes could be exercised by them in a manner that could adversely impact the Certificates. The Underwriters and their affiliates may invest or take long or short positions in securities or instruments, including the Certificates, that may be different from your position as an investor in the Certificates. If that were to occur, such Underwriter's or its affiliate's interests may not be aligned with your interests in Certificates you acquire.

The Underwriters and their respective affiliates include broker-dealers whose business includes executing securities and derivative transactions on their own behalf as principals and on behalf of clients. Accordingly, the Underwriters and their respective affiliates and clients acting through them from time to time buy, sell or hold securities or other instruments, which may include one or more Classes of the Certificates, and do so without consideration of the fact that the Underwriters acted as Underwriters for the Certificates. Such transactions may result in the Underwriters and their respective affiliates and/or their clients having long or short positions in such instruments. Any such short positions will increase in value if the related securities or other instruments decrease in value. Further, the Underwriters and their respective affiliates may (on their own behalf as principals or for their clients) enter into credit derivative or other derivative transactions with other parties pursuant to which they sell or buy credit protection with respect to one or more of the Certificates. The positions of the Underwriters and their respective affiliates or their clients in such derivative transactions may increase in value if the Certificates default or decrease in value. In conducting such activities, none of the Underwriters or their respective affiliates will have any obligation to take into account the interests of the holders of the Certificates or any possible effect that such activities could have on them. The Underwriters and their respective affiliates and clients acting through them may execute such transactions, modify or terminate such derivative positions and otherwise act with respect to such transactions, and may exercise or enforce, or refrain from exercising or enforcing, any or all of their rights and powers in connection therewith, without regard to whether any such action might have an adverse effect on the Certificates or the holders of the Certificates. Additionally, none of the Underwriters and their respective affiliates will have any obligation to disclose any of these securities or derivatives transactions to you in your capacity as a Certificateholder.

To the extent the Underwriters or one of their respective affiliates makes a market in the Certificates (which they are under no obligation to do), they would expect to receive income from the spreads between their bid and offer prices for the Certificates. In connection with any such activity, they will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Certificates. The prices at which the Underwriters or one of their respective affiliates may be willing to purchase the Certificates, if they make a market for the Certificates, will depend on market conditions and other relevant factors and may be significantly lower than the issue prices for the Certificates and significantly lower than the prices at which they may be willing to sell the Certificates.

Furthermore, the Underwriters expect that a completed offering will enhance their ability to assist clients and counterparties in transactions related to the Certificates and in similar transactions (including assisting clients in additional purchases and sales of the Certificates and hedging transactions). The Underwriters expect to derive fees and other revenues from these transactions. In addition, participating in a successful offering and providing related services to clients may enhance the Underwriters' relationships with various parties, facilitate additional business development and enable them to obtain additional business and to generate additional revenue.

Neither of the Underwriters nor their respective affiliates will have any obligation to monitor the performance of the Certificates or the actions of Freddie Mac, the Underlying Sellers or Underlying Servicers, the Trust Agent, the Securities Administrator or any other transaction party and will have no authority to advise any such party or to direct their actions.

There May Be Conflicts of Interest Between the Classes of Certificates

There may be conflicts of interest between the Classes of Certificates due to differing distribution priorities and terms. Investors in the Certificates should consider that certain decisions may not be in the best interests of each Class of Certificates and that any conflict of interest among different Certificateholders may not be resolved in favor of investors in the Certificates. For example, Certificateholders may exercise their voting rights so as to maximize their own interests, resulting in certain actions and decisions that may not be in the best interests of different Certificateholders. Furthermore, as long as a Guarantor Nonpayment Event does not exist, the Voting Rights of the Senior Certificates will be vested in Freddie Mac.

Combination or "Layering" of Multiple Risk Factors May Significantly Increase the Risk of Loss on Your Certificates

Although the various risks discussed in this Offering Circular are generally described separately, prospective investors in the Certificates should consider the potential effects on the Certificates of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss on your Certificates may be significantly increased. In considering the potential effects of layered risks, you should carefully review the descriptions of the Mortgage Loans and the Certificates. See *"Description of the Mortgage Loans"* and "*Description of the Certificates*".

DESCRIPTION OF THE MORTGAGE LOANS

General

Unless otherwise noted, the statistical information presented in this Offering Circular concerning the Mortgage Pools is based on the characteristics of the Mortgage Loans as of the Cut-Off Date. In addition, unless otherwise noted, references to a percentage of Mortgage Loans refer to a percentage of the aggregate Stated Principal Balance of the related Mortgage Pool as of the Cut-Off Date.

This section and Appendix A generally describe certain of the material characteristics of the Mortgages. Certain loan-level information for each Mortgage Loan may be accessed through Securities Administrator's website at www.usbank.com/abs.

The figures in this Offering Circular may not correspond exactly to the related figures in Appendix A due to rounding differences. Prior to the Closing Date, Mortgage Loans will not be removed or substituted from the Mortgage Pools. Freddie Mac believes that the information set forth in this Offering Circular and in Appendix A is representative of the characteristics of the Mortgage Pools as each will be constituted as of the Closing Date.

On the Closing Date, the assets of the Trust will include two Pools of Mortgage Loans (collectively, the **"Mortgage Loans"** or **"Mortgages"**) consisting of 661 fixed-rate mortgage loans which have original terms to maturity of 25 to 30 years. Freddie Mac purchased the Mortgage Loans from the Underlying Sellers between August 2015 and May 2016. The Mortgage Loans were purchased by Freddie Mac from the four Underlying Sellers. Each of these Underlying Sellers voluntarily agreed to sell such loans to us, pursuant to existing contracts with Freddie Mac. Additionally, the Underlying Sellers/Servicers agreed to some new operational and servicing requirements for such Mortgage Loans, including a higher percentage of mortgage loans subject to diligence reviews (relative to other mortgage loans sold to us by such Underlying Seller), establishing a new servicer number for tracking purposes, and complying with Topic 8600 of the Guide once the Mortgage Loans are deposited into the Trust. Each Mortgage Loan was sold to us through our cash window rather than securitized into a Freddie Mac Participation Certificate (**"PC"**). Our objective was to purchase mortgage loans that would otherwise have been eligible for—and securitized into—Freddie Mac PCs comprising fixed-rate, super-conforming mortgage loans, though we excluded loans with LTVs greater than 80% and HARP loans from such purchases.

Credit Risk Retention

Freddie Mac, as the sponsor of the securitization in which the Certificates are to be issued will not, other than as described in this Offering Circular, retain credit risk pursuant to provisions of FHFA's Credit Risk Retention Rule (12 C.F.R. Part 1234) (the **"Risk Retention Rule"**) governing residential single-family securitizations because FHFA, as conservator of Freddie Mac and in furtherance of the goals of the conservatorship, has exercised its authority under Section 1234.12(f)(3) of the Risk Retention Rule to direct Freddie Mac to sell or otherwise hedge the credit risk that Freddie Mac otherwise would be required to retain under the Risk Retention Rule and has instructed Freddie Mac to take such action necessary to effect this outcome. Although Freddie Mac will not be required to retain risk pursuant to the Risk Retention Rule, Freddie Mac, with FHFA's approval, has elected to initially retain approximately 5% of the initial Class Principal Amount of each of the Class M-1, Class M-2 and Class B Certificates.

The Mortgage Pools

Pool 1 and Pool 2 comprise 661 Mortgage Loans with an aggregate Stated Principal Balance as of the Cut-Off Date of $348,375,857.31.

See Appendix A for a detailed description of the Mortgage Pools. See also the Securities Administrator's website at www.usbank.com/abs or www.freddiemac.com for supplemental information on the Mortgage Pool.

Pool 1 Mortgage Loans ("Pool 1")

Pool 1 comprises 309 Mortgage Loans (the **"Pool 1 Loans"**) with an aggregate Stated Principal Balance as of the Cut-Off Date of $161,325,570.96.

See Appendix A for a detailed description of the Pool 1 Loans. See also the Securities Administrator's website at www.usbank.com/abs or www.freddiemac.com for supplemental information on the Pool 1 Loans.

Pool 2 Mortgage Loans ("Pool 2")

Pool 2 comprises 352 Mortgage Loans (the **"Pool 2 Loans"**) with an aggregate Stated Principal Balance as of the Cut-Off Date of $187,050,286.35.

See Appendix A for a detailed description of the Pool 2 Loans. See also the Securities Administrator's website at www.usbank.com/abs or www.freddiemac.com for supplemental information on the Pool 2 Loans.

Each of Pool 1 and Pool 2 will be referred to herein, individually as a **"Pool"** or a **"Mortgage Pool"**, and together, as the **"Mortgage Pool"** or the **"Mortgage Pools"**.

The underwriting guidelines generally applied by the Underlying Sellers in originating the Mortgage Loans are described under *"General Mortgage Loan Purchase and Servicing — Underwriting Standards."*

GENERAL MORTGAGE LOAN PURCHASE AND SERVICING

Mortgage loans are evidenced by promissory notes or other similar evidences of indebtedness (each, a **"mortgage note"**) secured by first-lien mortgages, deeds of trust or similar security instruments on residential properties consisting of one- to four-unit residential properties (each, a **"mortgaged property"**). Each mortgage note and related mortgage loan are obligations of one or more mortgagors (individually or collectively as to a particular mortgage loan, a **"mortgagor"**) and require the related mortgagor to make monthly payments of principal and interest.

The Freddie Mac Act establishes requirements for and limitations on mortgage loans that Freddie Mac may purchase, as described below. Freddie Mac purchases "single-family mortgages," which are mortgage loans that are secured by one- to four-unit residential properties. The Mortgage Loans in the Pools are "super-conforming" mortgages. A "super-conforming mortgage" is a mortgage secured by a property located in a designated high-cost area with an original principal balance exceeding the base conforming loan limit (excluding Alaska, Hawaii, U.S. Virgin Islands and Guam, $417,000 for a one-unit residence, or up to 125% of the median house price for certain geographic areas, not to exceed $625,500 for a one-unit residence).

The Freddie Mac Act also establishes LTV limitations on the mortgage loans that Freddie Mac may purchase. The LTV is a ratio of (a) the outstanding principal balance of a mortgage loan to (b) the value of the mortgaged property at origination. Under the Freddie Mac Act, Freddie Mac may not purchase a mortgage loan if, at the time of purchase, the outstanding principal balance of the mortgage loan exceeds 80% of the value of the mortgaged property unless we have one or more of the following credit protections, which are designed to offset any additional credit losses that may be associated with higher LTVs: mortgage insurance that is on the portion of the outstanding principal balance above 80% and is from a mortgage insurer that we determine is qualified; a seller's agreement to repurchase or replace (for periods and under conditions as we may determine) any mortgage loan that has defaulted; or retention by the seller of at least a 10% participation interest in such mortgage loans.

None of the Mortgage Loans had an LTV greater than 80% at origination.

In addition to the standards in the Freddie Mac Act, which we cannot change, Freddie Mac seeks to manage the credit risk with respect to mortgage loans we purchase through our underwriting and servicing standards reflected in the Guide. The Guide sets forth Freddie Mac's standard underwriting criteria for loans acceptable for purchase by Freddie Mac. In addition, the Guide details Freddie Mac's standard requirements for servicing mortgage loans. The terms of the Guide are revised from time to time, usually several times a year to update the underwriting and servicing standards that govern the mortgage loans Freddie Mac purchases. The Guide updates are summarized in a Bulletin cover letter. The Guide, Bulletins and other information about underwriting and servicing requirements can be accessed through www.allregs.com or www.freddiemac.com by clicking on "The Guide and Forms" and then on "AllRegs®". In addition, certain sellers have negotiated TOBs, which may amend, waive or otherwise alter certain underwriting terms of the Guide. TOBs are periodically reviewed and are subject to change. The underwriting standards generally applied by sellers in originating their respective mortgage loans are described under *"— Underwriting Standards"*.

Freddie Mac will not consider the impact to investors when approving, reviewing and changing any TOB that applies to the Mortgage Loans.

We also employ quality control processes to manage our credit risk. Single-family mortgage credit risk is primarily influenced by the credit profile of the mortgagor (*e.g.*, credit score, credit history, and monthly income relative to debt payments), documentation provided by the mortgagor, the number of mortgagors, the product features of the mortgage, the purpose of the mortgage, occupancy type, the type of property securing the mortgage, the LTV of the mortgage loan, and local and regional economic conditions, including home prices and unemployment rates. Mortgage loans we acquire are evaluated by the applicable seller using several critical risk characteristics to determine the mortgagor's ability to repay the loan and the adequacy of the mortgaged property as collateral for the loan. Our quality control process is designed to determine, through a sampling of mortgage

loans, whether the mortgage loans purchased by Freddie Mac met the Purchase Documents' provisions under which they were delivered to us, as well as certain federal and state anti-predatory lending laws and regulations, and the Freddie Mac responsible lending policy (formerly known as the Freddie Mac anti-predatory lending policy).

Summarized below are Freddie Mac's general underwriting, servicing and quality control standards. See *"Risk Factors — Risks Relating to the Mortgage Loans — Underwriting Standards Used by Many of Freddie Mac's Underlying Sellers May be Less Stringent than Required by Freddie Mac's Guide"* and "*— Servicers May Not Follow the Requirements of Our Guide or TOBs and Servicing Standards May Change Periodically"*.

Approved Underlying Sellers and Servicers

Freddie Mac approves sellers and servicers based on a number of factors, including their financial condition, operational capability and origination and servicing experience. In its standard application process, Freddie Mac verifies references and performs a background review, functional area reviews, such as quality control, originations and underwriting, servicing, and privacy compliance prior to approving an entity as a seller or servicer.

Underwriting Standards

We use a process of delegated underwriting for the mortgage loans we purchase. In this process, our contracts with sellers set forth mortgage underwriting standards and requirements, and the sellers represent and warrant to us that the mortgage loans sold to us meet these standards and requirements. Freddie Mac details its basic requirements for underwriting and selling mortgage loans to Freddie Mac in the Guide. Freddie Mac employs a variety of data integrity checks in its selling system to ensure that the mortgage loans delivered to us comply with the Freddie Mac Act and the credit requirements of the Guide, or if applicable, the credit requirements of the seller/servicer's contract with Freddie Mac.

Approximately 99% of the non-relief refinance mortgage loans purchased or guaranteed by Freddie Mac in the first half of 2016 were underwritten using an automated underwriting system ("**AUS**"), — either (i) our proprietary system, Loan Prospector® (**"LP®"**) which is currently known as Loan Product Advisor℠ (**"LPA℠"**), (ii) the seller's own system, or (iii) Fannie Mae's proprietary system, Desktop Underwriter® (**"DU®"**). In permitting a seller to use an AUS other than LP, we require a number of additional credit standards for mortgage loans evaluated by such other AUS to satisfy our credit requirements. Our Guide requires that mortgage loans sold to us must, at a minimum, have documented property values, a mortgage loan file that reflects an acceptable level of documentation and evidence of the mortgagor's ability to repay. A mortgage loan acquired by Freddie Mac may have an LTV or total loan-to-value ("**TLTV**", also referred to as **"CLTV"** in the appendices and our loan-level disclosure) ratio up to 95%. A super-conforming mortgage loan may have an LTV ratio up to 90%.

Some sellers may have TOBs that amend, waive or otherwise alter certain terms of the Guide.

The following is a list of frequently used TOBs included in sellers' contracts:

1. ***Use of AUS other than LP***: Allows sellers to sell us mortgage loans that were processed through Fannie Mae's DU or another proprietary AUS.

2. ***Incomplete improvements***: Allows sellers to sell to us mortgage loans prior to the completion of certain property improvements provided that the cost to complete the improvements is less than a specified percentage of the value of the mortgaged property and, in certain circumstances, without establishing an escrow account.

3. ***Calculating Monthly Debt-to-Income Ratio on Revolving Accounts***: Allows sellers to use 3% of the outstanding balance of the account as the monthly payment on revolving or open-end accounts for purposes of calculating the monthly debt-to-income ratio when the payment information is missing from the mortgagor's credit report.

4. ***Calculating Qualifying Income Using Future Income***: Allows sellers to include documented future salary increases or income to be received from future employment in the calculation of the mortgagor's qualifying income.

5. ***Use of Streamlined Accept Documentation in lieu of Standard Documentation requirements***: Allows sellers to underwrite mortgage loans using the Streamlined Accept Documentation in lieu of the Standard Documentation requirements provided that the mortgage loan meets certain credit and property requirements. See *"Risk Factors — Risks Relating to the Mortgage Loans — Underwriting Standards Used by Many of Freddie Mac's Underlying Sellers May be Less Stringent than Required by Freddie Mac's Guide"*.

One or more of the Underlying Sellers have some of the TOBs set forth above. One or more of the Underlying Sellers also have TOBs that Freddie Mac considers to be low risk and/or operational in nature. Prior to approving a TOB, Freddie Mac undertakes a review process to assess potential implications and impacts of any proposed TOB across Freddie Mac. After approval of a TOB, Freddie Mac periodically reviews seller contracts and TOBs to determine if changes to the TOBs are needed. Freddie Mac also reviews the performance of the mortgage loans sold to it by sellers and may develop an action plan or take corrective action with respect to a specific seller, if needed. See "*Risk Factors — Risks Relating to the Mortgage Loans — Underwriting Standards Used by Many of Freddie Mac's Underlying Sellers May be Less Stringent than Required by Freddie Mac's Guide"*.

The Application

The information provided in each mortgage application was evaluated by LPA, or another AUS acceptable to us or was manually underwritten to determine the appropriate credit decision and documentation requirements for the loan transaction. LPA indicates the minimum income and asset verification, credit-related documentation and other requirements necessary to complete processing of the mortgage loan file. These requirements are based on the specific risk factors present in each mortgage application. If the mortgage loan did not receive an acceptable risk classification from LPA or other AUS, the seller must manually underwrite the mortgage loan in order for us to purchase it. Under the manually underwritten process an underwriter performs a risk assessment to determine whether the mortgage application meets the requirements of the Guide and any applicable TOBs. The underwriter may be an employee of the seller or may be an individual performing underwriting on a contract basis through a third-party firm such as a mortgage insurance company.

Use of Credit Scoring

We require a seller to obtain Credit Scores through credit bureaus when underwriting a mortgage loan. Credit Scores are a useful measure for assessing the credit quality of a mortgagor. A **"Credit Score"** is a number reported by a credit bureau, based on statistical models, that summarizes an individual's credit record. Statistically, mortgagors with higher Credit Scores are more likely to repay or have the ability to refinance than those with lower Credit Scores. We provide instructions in our Guide regarding which Credit Score to use when underwriting. If the credit bureaus cannot generate a Credit Score due to insufficient information about an applicant or, if the applicant lacks a traditional credit history, then the mortgagor's credit reputation must be manually underwritten. If there is no established credit history, the loan approval may be conditioned upon the documentation of an acceptable alternative credit history consisting of at least three references showing timely payment of utilities, insurance premiums or rent, or other alternative credit references in the prior twelve months. We do not provide TOBs for Credit Scores beyond our Guide requirements. Our Guide requires a minimum Credit Score of 620 for manually underwritten super-conforming mortgage loans. LPA evaluates the mortgagor's credit profile and determines if it is acceptable. In some cases, LPA may accept Credit Scores below 620 based on compensating factors.

None of the mortgagors with respect to the Mortgage Loans had a Credit Score below 625 at origination.

Loan-to-Value Ratio

As part of the underwriting evaluation, the LTV is calculated. The LTV is the ratio of (i) the mortgage loan original principal balance to (ii) the value of the mortgaged property determined at origination of the mortgage loan. Our LTV limits are based on the purpose, property type, occupancy and number of units. The Guide provides that the LTV ratio for super-conforming mortgage loans must not be greater than 90%.

None of the Mortgage Loans had an LTV greater than 80% at origination.

Debt-to-Income Ratio

As part of the underwriting evaluation, the applicant's debt-to-income ratio ("**DTI**") is calculated. The DTI is the ratio of the mortgagor's monthly debt obligations (including the proposed new housing payment and related expenses such as property taxes and property insurance) to his or her gross monthly income. Our DTI guidelines are based on the product, loan term, Credit Score, LTV, property type, and occupancy characteristics of the subject loan transaction. Additionally, pursuant to our Guide, the seller's calculation of DTI is dependent upon a number of factors. The seller's decision to include or exclude any such factors in the calculation of the mortgagor's total income or total debts will affect the DTI originally reported to us by the seller. Our subsequent review of any DTI may determine that the seller included or excluded certain factors that would have resulted in a higher or lower DTI calculation. Freddie Mac's limited review of a sample of mortgage loans covers only some of the defects that could lead to losses and may not detect all relevant defects. The Guide provides that the DTI for mortgage loans must not be greater than 45% unless the loan is underwritten through LPA or DU, in which case the DTI may exceed 45% provided compensating factors exist. Freddie Mac does not provide TOBs for DTI beyond our Guide or other AUS requirements.

None of the Mortgage Loans had a DTI above 50% at origination.

Loans with Subordinate Financing

Contemporaneously with the origination of the first lien mortgage loan, a mortgagor may have received one or more mortgage loans secured by the subject property in addition to the first lien mortgage loan purchased by Freddie Mac. These additional mortgage loans have subordinate priority to the first lien mortgage loan with such mortgagor. First lien refinance transactions may have existing subordinate financing with the applicant that is resubordinated to the new first lien transaction or may have new subordinate financing originated simultaneously with the first lien mortgage. The Guide and applicable TOBs provide that mortgage loans cannot have a CLTV greater than 97% (excluding government-insured loans and/or HARP loans).

If any subordinate financing is a home equity line of credit (**"HELOC"**), the Original HELOC Combined Loan to Value (**"HCLTV"**) reflects the maximum loan amount available under the HELOC, not the disbursed amount as of the closing of the first lien mortgage loan.

None of the Mortgage Loans had a CLTV greater than 90% or an HCLTV greater than 90% at origination.

Documentation

We require the seller to obtain verifications and documentation for each source of qualifying income and assets identified by the mortgagor in the application. Freddie Mac allows two levels of documentation: Streamlined Accept and Standard.

> *Streamlined Accept Documentation*. A seller may follow this type of documentation procedure for mortgage loans that are evaluated by LPA and receive a Streamlined Accept Documentation designation. Under Streamlined Accept Documentation, qualifying income for a salaried mortgagor would require documentation that includes a verification of employment, a year-to-date paystub or evidence of thirty (30) days of income, and W-2 form(s) for the most recent year. For assets that are listed on the application and in a checking account the seller must provide a bank statement covering the most recent one month if those assets are required to qualify the applicant for the mortgage loan. For mortgage loans evaluated by DU or another approved AUS, the seller may follow the documentation procedures required by the AUS, but such documentation procedures cannot be less stringent than Freddie Mac's Streamlined Accept Documentation procedures.
>
> *Standard Documentation.* A seller is required to follow this documentation procedure for all manually underwritten mortgage loans and for mortgage loans that are evaluated by LPA and receive a Standard Documentation designation. Under Standard Documentation, for qualifying income for a salaried mortgagor the seller must provide documentation that includes a verification of employment, a year-to-date paystub or evidence of thirty (30) days of income, and W-2 form(s) for the most recent two years. For assets that are listed on the application and are in a checking account the seller must provide a bank statement covering the most recent two months if those assets are required to qualify the applicant for the mortgage loan.

Collateral Valuation

We require sellers to conduct a valuation of the mortgaged property as collateral for each mortgage loan. With few exceptions (*i.e.*, less than 1% of the mortgage loans we purchase) this collateral valuation is determined by an appraiser who sets forth his or her opinion on an appraisal report of the estimated value of the mortgaged property following an inspection of it and the neighborhood. The seller selects and approves the appraisers used to conduct the valuation and represents and warrants that the appraisal services provided comply with the Uniform Standards of Professional Appraisal Practice (**"USPAP"**), applicable laws, and our Guide and any applicable TOBs. Appraisers must be state-certified or state-licensed real estate appraisers in the state in which the mortgaged property is located, have knowledge and experience in appraising the property type in the market area and have access to the applicable data sources.

Flood Determinations and Property Insurance

Each mortgage loan is evaluated to determine if the mortgaged property is currently located in a federal flood zone. Freddie Mac requires flood insurance on mortgaged properties in certain flood zones with an amount of coverage that meets or exceeds federal law requirements. Servicers are required to ensure ongoing flood insurance coverage for mortgaged properties in flood zones and to ensure mortgagors obtain new flood insurance policies if federal flood zones change and, subsequently, cover the mortgaged property. Generally, evidence of acceptable property insurance coverage on the mortgaged property is a requirement for loan approval. Upon any Mortgage Loan becoming an unoccupied REO Property, such vacancy verified by a PCC obtained from the REO Property real estate broker (such vacated mortgaged property, a **"Vacated REO Property"**), the Master Servicer will not be required to and may no longer carry hazard insurance coverage on such mortgaged property. Flood insurance is maintained until the disposition of the REO Property.

Title Insurance

Each mortgage loan must be covered by either a fully paid mortgage title insurance policy meeting the requirements of the Guide or an attorney's title opinion or certificate meeting the requirements of the Guide. The title insurance policy must protect the mortgagee up to at least the original principal balance of the mortgage loan less capitalized costs. The title insurance policy must be written on an appropriate American Land Title Association (**"ALTA"**) title insurance policy form. If required, the policy may include environmental protection lien endorsement coverage (ALTA Form 8.1 or its equivalent) excepting only superliens that may arise after the loan is made. Examples of super liens include liens for local real estate taxes, utilities and common interest association (**"CIO"**) assessments, depending upon the jurisdiction wherein the mortgaged property is located. CIO liens are usually for an amount calculated by the number of months the mortgagor is delinquent in payment of the assessments. While some states do not allow CIO superliens, most allow up to six months of assessments and some allow over 6 months. Where a superlien exists and a mortgaged property is sold at foreclosure, the superlien will take priority over the first lien securing the mortgage loan on such mortgaged property. See "*Risk Factors — Governance and Regulation — Special Assessments, Energy Efficiency and Homeowner Association Liens May Take Priority Over the Mortgage Lien*".

Servicing Standards

General

"Servicing" includes all activities concerning the calculation, collection and processing of mortgage loan payments and related mortgagor inquiries, making servicing advances, foreclosing upon defaulted mortgage loans, as well as all mortgage loan administrative responsibilities, including claims collection, workouts, loan level reporting and repurchasing mortgage loans or honoring agreements to make Freddie Mac whole on losses or indemnification agreements (**"Repurchase Alternatives"**) for breaches of the servicing obligations agreed to by our servicers. Servicing also includes remitting payments to Freddie Mac and various types of investor and default reporting. Generally, Freddie Mac details its requirements for servicing mortgage loans in Volume Two of the Guide and any applicable servicing provisions which may amend, waive or otherwise alter certain servicing requirements of the Guide.

With respect to the servicing of the Mortgage Loans, we note that the terms of the Guide are revised from time to time, usually several times a year, with these revisions summarized in bulletins (**"Bulletins"**). The Mortgage Loans will not be serviced differently from other mortgage loans that we own or guarantee except that the Underlying Servicers of the Mortgage Loans also will be required to adhere to Topic 8600 of the Guide. The descriptive summaries of our servicing standards contained in this Offering Circular are not exhaustive but drawn from the Guide and applicable TOBs. See *"Risk Factors — Risks Relating to the Mortgage Loans — Servicers May Not Follow the Requirements of Our Guide or TOBs, and Servicing Standards May Change Periodically"*.

When a mortgage loan is sold to Freddie Mac "servicing retained", the seller services the mortgage loan for Freddie Mac and assumes the servicing responsibilities itself or assigns or sells the rights to service the mortgage loan to another approved servicer. When a mortgage loan is sold servicing released, Freddie Mac assigns or sells the contractual right to service the mortgage loan to an approved servicer. Generally, Freddie Mac does not itself conduct servicing activities. With respect to any servicer, Freddie Mac retains the right to revoke, re-assign or terminate, in whole or in part, with or without cause, or approve a servicer's request to transfer the right to service Freddie Mac mortgage loans, subject to the terms of the Guide and any TOBs applicable to a servicer.

The contractual right to service a mortgage loan is referred to as a mortgage servicing right (**"MSR"**). There is a market for MSRs and they are commonly bought and sold between servicers. Under the Guide, Freddie Mac servicers must obtain Freddie Mac's prior approval of any proposed sale of MSRs. We generally monitor the servicers' compliance with their servicing obligations and may seek remedies for breach of contract if a servicer fails to perform certain obligations according to the servicing requirements in our Guide and any applicable TOBs. Each servicer is required to perform all services and duties customary to the servicing of mortgages, either directly or through approved subservicers. We monitor a servicer's performance through periodic and special reports and inspections.

Servicing Responsibilities and Compensation

Servicers are required to service and administer mortgage loans in accordance with the Servicing Requirements, including any and all applicable federal, state and local laws and the terms of the related loan documents. The Servicing Requirements in the Guide are frequently revised, sometimes on a monthly basis. When our Servicing Requirements are revised in the Guide, we publish a Bulletin explaining the changes and detailing the revisions to the Guide. The Guide, Bulletins and other information about servicing practices and requirements can be accessed through www.allregs.com or www.freddiemac.com. When our Servicing Requirements are revised by a TOB, those revisions are sent to each individual servicer to which the revisions apply.

The servicers are required to perform customary mortgage loan servicing functions, including:

- collection of payments from mortgagors and remitting payments to Freddie Mac;
- maintenance of property insurance and filing and settlement of claims under those policies;
- maintenance of escrow accounts of some mortgagors for payment of taxes, insurance, and other items required to be paid by the mortgagors pursuant to terms of the related mortgage loan;
- processing of assumptions, substitutions, payoffs and releases;
- attempting to cure delinquencies and mitigate losses through alternatives to foreclosure such as reinstatements, repayment plans, forbearance of payments, loan modifications, short sales, and deed-in-lieu of foreclosure transactions;
- supervising foreclosures and taking title to the mortgaged property whether at foreclosure or via a deed-in-lieu foreclosure transaction;
- inspection and management of mortgaged properties under certain circumstances; and
- maintaining and providing accounting records and reports relating to the mortgage loans.

The Guide also provides that a servicer may not solely target the mortgage loans as part of a solicitation program of refinances. However, under current Servicing Requirements the servicers must engage in collection

efforts with delinquent mortgagors no later than the 36th day of delinquency to attempt to resolve the delinquency by bringing the mortgage loan current or, no later than the 45th day of delinquency, solicit mortgagors to apply for an alternative to foreclosure, such as a loan modification.

We delegate the primary servicing function to our servicers; accordingly, if our Underlying Servicers lack appropriate process controls, experience a failure in their controls, or experience an operating disruption in their ability to service the Mortgage Loans, the Mortgage Loans could be adversely affected. See *"Risk Factors — Risks Relating to the Mortgage Loans — The Performance of the Mortgage Loans Could be Dependent on the Underlying Servicers"* and *"— The Performance of Underlying Sellers and Underlying Servicers May Adversely Affect the Performance of the Mortgage Loans."* The Mortgage Loans also are exposed to (i) the risk that Underlying Servicers might fail to service the Mortgage Loans in accordance with the Servicing Requirements and (ii) transfers or removals of servicing that could result in disruptions of servicing, each resulting in increased Realized Losses. For example, the servicers have an active role in our loss mitigation efforts; as a result, if a servicer's performance declines it could reduce the anticipated benefits of our loss mitigation plans.

We generally supervise the servicing of the mortgage loans according to the Servicing Requirements. To the extent that a servicer requests a waiver from a provision of the Servicing Requirements or we initiate a pilot to test a servicing policy, we may permit such waiver, negotiate a voluntary TOB, or issue a mandatory TOB, which sets forth, among other things, the specific waiver or changes to servicing requirements and the goals or requirements for the servicer. These servicing TOBs may cover all of the mortgage loans serviced by that servicer or only selected portfolios. Some commonly issued TOBs related to servicing are:

- allow or require the servicer to offer different loss mitigation options to mortgagors, such as a loan modification with terms that differ from our Guide-based modification programs;
- provide enhanced functionality for transmitting servicing related documentation and information between the servicer and Freddie Mac;
- specify conditions and fees for servicers to hold additional servicing capacity in order to accept additional MSR portfolios on an accelerated basis as needed;
- allow Freddie Mac to take action if a servicer does not meet specified performance targets;
- initiate pilot programs where we test a new servicing policy or procedure with a limited number of servicers or borrowers in order to evaluate whether to roll it out to a larger population; and
- permit limited exceptions to servicing requirements under special circumstances, such as to allow a servicer more time to implement a new policy or to quickly deploy a new program resulting from exigent circumstances, such as disaster recovery or relief.

One or more of the Underlying Servicers have some of the TOBs set forth above. One or more of the Underlying Servicers also have TOBs that Freddie Mac considers to be low risk and/or operational in nature. Freddie Mac did not and will not consider the interests of Certificateholders in granting such waivers or implementing such policies. We do not permit waivers for servicing performance that jeopardize the first-lien position of a mortgage loan.

Servicers receive fees for their services. We generally require that servicers retain a minimum servicing fee of at least 0.25% per annum of the interest bearing principal balance of the mortgage loans they service, which may only be retained upon receipt of a full mortgage payment from the related mortgagor that is posted to the mortgagor's account (such amount so determined on a monthly basis, the **"Servicing Fee"**). We also pay special incentives for loss mitigation activities and reimburse servicers for certain expenses and advances made in connection with loss mitigation activities and default management. These incentive payments vary based upon the kind of activity, the rates of success and other factors. To the extent that we pay any incentives for loss mitigation activities on the Mortgage Loans, we will not seek reimbursement from the Trust.

There can be no assurance, and no representation is made, as to the actual performance of an Underlying Servicer with respect to the Mortgage Loans. The actual loss experience on the Mortgage Loans will depend, among other things, on the value of the mortgaged properties securing such Mortgage Loans and the ability of mortgagors to make required payments.

An Underlying Servicer performs services for our benefit but does not owe any duties or obligations to the Certificateholders, the Trustee, the Securities Administrator or the Trust Agent. Freddie Mac, as Master Servicer, is the only party that owes duties and obligations to the Certificateholders, the Trustee, the Securities Administrator or the Trust Agent. Accordingly, none of the Certificateholders, the Trustee, the Securities Administrator or the Trust Agent will be able to cause an Underlying Servicer to perform its obligations for the benefit of the Certificateholders or enforce any Servicing Requirements on their behalf.

Mortgage Loan Life Cycle

Servicers are required to service mortgage loans from the date they sell such mortgage loans to us or upon a transfer or other assignment of the contractual right to service until the disposition of the mortgage loan or REO property or transfer or other assignment of the MSR to another servicer. For performing mortgage loans, servicing activity concludes when the mortgage note is satisfied and the mortgaged property is released from the lien of the mortgage. For non-performing mortgage loans (*i.e.*, a loan that is delinquent or is otherwise in default under the terms of the mortgage note at some point), the servicer must conduct additional activities including increased communications with the mortgagor, loss mitigation attempts and, if no resolution to the delinquency or default is reached, foreclosure and obtaining title to the mortgaged property. During these activities the servicer regularly reports to Freddie Mac the status of the mortgage loan and Freddie Mac conducts supervision, monitoring and quality assurance reviews of the servicer's servicing activities. Below are general descriptions of Freddie Mac's current policies and procedures relating to these activities. More detailed descriptions of these activities and future revisions to our requirements may be found in the Guide and are summarized in related Bulletins.

Collection and Other Servicing Procedures

The servicer generally will be required to make reasonable efforts to collect all payments called for under the mortgage loans and maintain contact with the mortgagor. The servicer is required to generally follow the same collection procedures that it uses for its own portfolio of mortgages so long as they are consistent with the Guide. It may charge the mortgagor for special services rendered, for example, sending a payoff statement or faxing an account history, subject to applicable law. The servicer may also waive late payment fees and service charges or, in certain cases, extend the due dates for payments due on a mortgage loan.

Under the Guide, the servicers, to the extent permitted by law, may establish and maintain an escrow in which mortgagors will be required to deposit amounts sufficient to pay taxes, assessments, mortgage and property insurance premiums and other comparable items. Withdrawals from an escrow account may be made to effect timely payment of taxes, assessments, mortgage and property insurance, to refund to mortgagors amounts determined to be overages, to pay interest to mortgagors on balances in that escrow account, if required, and to clear and terminate that escrow account. The servicer will be responsible for the administration of each escrow account required by the terms of the mortgage loans, the Guide and applicable law, and generally will be obliged to make advances to those accounts when a deficiency exists in any of those escrow accounts.

Under the Guide, a servicer is required to deposit amounts it receives from a mortgagor into a custodial account it holds in the name of Freddie Mac. As required by the Guide, the servicers forward principal and interest payments received and all other payments received, including prepayments and liquidation proceeds, to a Freddie Mac master account.

With respect to the Mortgage Loans, all such remittances from Underlying Servicers of amounts due to the Trust will be transferred within two business days of their due date to Freddie Mac to a segregated non-interest bearing trust account in the name of the Trust maintained at the Securities Administrator's offices.

Property Insurance

The Guide requires the servicer to verify that a policy of property insurance covering the related mortgaged property is maintained. The policy must be in an amount generally equal to the greater of the unpaid principal balance of the related mortgage loan or 80% of the full replacement cost of the insurable improvements, not to exceed 100% of the full replacement cost of the insurable improvements even if the unpaid principal balance exceeds such replacement cost. There are special insurance requirements when the mortgaged property is a condominium or is located in a development governed by a common unit association. If the mortgagor does not

voluntarily maintain a property insurance policy, allows his or her policy to lapse or obtains unacceptable insurance coverage, the servicer must obtain replacement insurance, commonly known as “force placed insurance” or “lender placed insurance” (**“LPI”**). The premium for LPI is often significantly higher than the premium for the mortgagor’s voluntary policy. The costs for LPI are the responsibility of the mortgagor. However, the costs of any such LPI will be borne by the Trust to the extent the mortgagor defaults on the Mortgage Loan and liquidation of the mortgaged property results in a Realized Loss.

No earthquake or other additional insurance is to be required of any mortgagor or maintained on property acquired in respect of a mortgage loan, other than pursuant to applicable laws and regulations that are in effect and require such additional insurance. When a mortgaged property securing a mortgage loan is located in certain areas identified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards (and flood insurance is available) the servicer may be required to cause to be maintained a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance and Mitigation Administration.

The Guide permits a servicer to obtain and maintain a blanket policy insuring against property losses on a PUD in lieu of maintaining a property insurance policy for any mortgaged property in such PUD. This blanket policy may contain a deductible clause. The ability of the servicer to ensure that property insurance proceeds are appropriately applied may be dependent on its being named as an additional insured under any property insurance policy and under any flood insurance policy referred to above, or upon the extent to which information in this regard is furnished to the servicer by mortgagors.

The Guide does not require an Underlying Servicer to maintain hazard insurance on Vacated REO Properties.

The Master Servicer is not required to, and may elect not to, obtain hazard insurance on any Vacated REO Properties. Accordingly, any losses on any Vacated REO Properties may be greater than they would be if hazard insurance were maintained and insurable losses were sustained on the related mortgage property. To the extent the Master Servicer obtains insurance on a Vacated REO Property, insurance premiums, if any, on REO Properties will be deemed Servicing Advances reimbursable to the Master Servicer.

Default Management

Servicers are required to develop, follow and maintain prudent and efficient written procedures that meet our Servicing Requirements for promptly curing defaults and delinquencies and complying with applicable laws. Servicers are required to employ an experienced and skilled staff in financial consulting and mortgage collection techniques. Servicers may also hire subservicers, which may be a specialty servicer, and outsource vendors to conduct some or all of these activities and, in some circumstances, Freddie Mac, as Master Servicer, may require a servicer to do so if we reasonably believe that the servicer is not adequately equipped to conduct default servicing and loss mitigation. We allow the servicer to grant a grace period of fifteen days after the due date in which a mortgagor can make a monthly payment without incurring a penalty or late charge. In addition, a mortgage loan is not considered delinquent (although the mortgagor is in default under the terms of the note and related mortgage) unless a full monthly payment has not been received by the close of business on the last day of the month of the due date. For example, a mortgage loan with a due date of May 1 is considered delinquent if a full monthly payment is not received by May 31. Late charges are generally assessed after the due date at the expiration of a grace period, if applicable. There are situations where a late fee could be waived based on the unique circumstances of a mortgagor, such as when the mortgagor is performing in accordance with the terms of an alternative to foreclosure, a repayment plan, forbearance plan or trial period plan.

The servicer is required by the Servicing Requirements to contact a delinquent mortgagor early in the delinquency process and throughout the delinquency cycle in order to mitigate the risk of default. The servicer’s objective in contacting the mortgagor or the mortgagor’s trusted advisor (e.g., housing counselor) is to establish a quality right-party contact responsible and authorized to discuss with the mortgagor the most appropriate options for resolving the delinquency. The servicer must make every attempt to achieve right party contact to (a) determine the reason for the delinquency and whether it is temporary or permanent in nature, (b) determine the mortgagor’s ability to repay, (c) set payment expectations and educate the mortgagor on alternatives to

foreclosure and (d) obtain a commitment from the mortgagor to resolve the delinquency through traditional or alternative solutions.

Loan workout activities are a key component of our loss mitigation strategy for managing and resolving troubled assets and lowering credit losses. We emphasize early intervention by servicers in delinquent mortgage loans and provide a suite of alternatives to foreclosure. We provide our servicers default management tools designed to help them manage delinquent mortgage loans and mortgage loans that, even if current, are at risk of imminent default. Our goal is to assist mortgagors in maintaining home ownership where possible, or facilitate foreclosure alternatives when continued homeownership is not an option. We require our servicers to follow a standardized protocol of workout options with the intention of determining and delivering the right kind of assistance needed to resolve the particular mortgagor's distress and minimize losses. Our loan workouts include:

- *Forbearance agreements,* where reduced payments or no payments are required during a defined period, generally one year or less. Forbearance agreements provide additional time for the mortgagor to resolve the hardship before undertaking efforts to return to compliance with the original terms of the mortgage loan or to implement another loan workout. During 2015, the typical time period granted for completed short-term forbearance agreements was between two and three months.
- *Full Reinstatement*, where the mortgagor restores a delinquent mortgage loan to current status by paying any delinquent amounts in one lump sum payment.
- *Partial Reinstatement*, where the mortgagor makes a lump sum payment to cover some, but not all, past due amounts. A partial reinstatement is typically followed by a repayment plan.
- *Repayment plans,* which are contractual plans to make up past due amounts by requiring the mortgagor to pay an additional amount in excess of the monthly mortgage payment due. These may or may not be preceded by a partial reinstatement. These plans assist mortgagors in returning to compliance with the original terms of their mortgage loan. During 2015, the typical time period granted for completed repayment plans was between two and six months.
- *Loan modifications*, which may involve changing the terms of the mortgage loan, capitalizing outstanding indebtedness, such as delinquent interest, to the unpaid principal balance of the mortgage loan, or a combination of both. We may grant partial principal forbearance in connection with loan modifications. Principal forbearance is a change to a loan's terms to designate a portion of the unpaid principal balance (after capitalizing delinquent amounts) as non-interest-bearing and non-amortizing with such forbearance amount due as a balloon payment upon the maturity date of the loan, or earlier, upon sale or transfer of the mortgaged property or refinancing of the interest-bearing balance. Generally, we do not utilize forgiveness as a loan modification tool. However, with respect to certain mortgagors who met specific eligibility criteria under an FHFA-mandated Principal Reduction Modification program (see below), servicers are required to offer a principal reduction modification. Freddie Mac has several loan modification programs as detailed in Topic 9200 of the Guide.
    - *Standard Modifications*, which employ principal forbearance and a trial period payment plan feature allowing eligible mortgagors to make reduced monthly payments for at least three months to ensure that the mortgagor can afford the new payment (**"Standard Modification"**). While the mortgagor is making the trial period payments the mortgage loan may remain or become delinquent. The mortgage loan will not be permanently modified and, if delinquent, brought current, until the end of the trial period and only if the mortgagor has otherwise complied with the terms of the trial period plan. A Standard Modification may be made from the time the mortgagor is current and found to be in imminent default to shortly before foreclosure sale. The mortgagor may be less than 180 days delinquent when the trial period plan begins, but more than 180 days delinquent when the trial period plan ends.
    - *Streamlined Modifications*, which apply only to mortgage loans that are 90 or more days delinquent (**"Streamlined Modification"**). Under the Streamlined Modification program, the servicer must offer an eligible mortgagor a loan modification without having made an assessment of the mortgagor's hardship or income. If the mortgagor accepts the offer by

making the first trial period payment, the mortgagor will be required to make two more monthly trial period payments to ensure that the mortgagor can afford the new payment. While the mortgagor is making the trial period payments the mortgage loan will remain in a delinquent status. The mortgage loan will not be permanently modified and brought current until the end of the trial period and only then if the mortgagor has otherwise complied with the terms of the loan modification agreement. The terms of and process for implementing Streamlined Modifications are similar to those for Standard Modifications. The mortgagor may be less than 180 days delinquent when the trial period plan begins, but more than 180 days delinquent when the trial period plan ends.

- *MyCity Modifications*, are special modifications offered only in specific regions where FHFA has determined local real estate markets require additional stabilization (**"MyCity Modification"**). Under the MyCity Modification program, the servicer attempts to reduce the mortgagor's monthly principal and interest payment by up to 60%. Only properties located in the city of Detroit, Michigan and certain properties in Cook County, Illinois are currently eligible to be considered for the MyCity Modification. While not under consideration at this time, it is possible the program will expand to other localities in the future. The MyCity Modification is one component of the Neighborhood Stabilization Initiative, an FHFA directed program wherein Freddie Mac and Fannie Mae deliver targeted relief to regions hardest hit by the financial crisis.

  None of the mortgaged properties securing the Mortgage Loans are located in Detroit, Michigan or Cook County, Illinois.

- *Principal Reduction Modifications*, which are part of another FHFA-mandated modification program that permanently forgives a portion of the principal of the modified loan (**"Principal Reduction Modification"**). Eligibility for the Principal Reduction Modification is limited to mortgagors that were, as of March 1, 2016, delinquent 90 or more days on their payments, owed less than $250,000 on the mortgage loan, and were inhabiting the mortgaged property as their primary residence. As of the servicer evaluation date, the post-modification unpaid principal balance of the mortgage loan must also exceed 115% of the mortgaged property's mark-to-market value to be eligible for a Principal Reduction Modification. Other eligibility requirements must also be met. None of the mortgaged properties securing the Mortgage Loans meet the eligibility criteria for this principal reduction modification.

  None of the mortgaged properties securing the Mortgage Loans are eligible for Principal Reduction Modifications.

- *Short sales,* which allow a mortgagor to sell a mortgaged property to an unrelated third party for an amount that is not sufficient to pay off the mortgage loan in full. Under Freddie Mac's standard short sale program Freddie Mac has delegated to servicers the authority to approve short sales if the short sale generates certain minimum net proceeds and, under some circumstances, the mortgagor makes a cash or note contribution to reduce the losses on such mortgage loan. When an approved short sale is complete, the mortgage note is cancelled, the lien for the mortgage is released and the mortgagor may be paid an amount to assist with relocation. In most cases, after completion of an approved short sale, the mortgagor has no further obligation to make payment under the mortgage note. Freddie Mac has one primary short sale program as detailed in the Guide that is available to provide relief for mortgagors in different circumstances. Short sales may be approved from the time the mortgagor is current and found to be in imminent default to shortly before foreclosure sale.

- *Deeds-in-lieu* of foreclosure are processed similar to a short sale except that title to a mortgaged property is not sold to a third party but is conveyed directly to Freddie Mac. Deed-in-lieu of foreclosure transactions with respect to any Mortgaged Property related to a Mortgage Loan will evidence the conveyance of such Mortgaged Property to the Trust.

- *Mortgage assumption*, where a new party assumes the obligations of the mortgagor under the mortgage note or as modified in connection with a simultaneous assumption and loan modification.

The servicer evaluates the new party for his/her ability to pay the mortgage loan before allowing the assumption; however, with respect to a simultaneous assumption and loan modification, the ability-to-pay assessment is based on the modified loan terms and less stringent underwriting criteria than would be required in connection with an assumption of a mortgage loan unaccompanied by a modification.

If a loan workout has not been reached by the 121st day of delinquency on a mortgage property serving as the mortgagor's principal residence (earlier for second homes and investment properties), we generally demand the servicer to accelerate payment of principal and all delinquent amounts due from the mortgagor and initiate foreclosure proceedings with respect to a mortgage in accordance with the provisions of the Guide. However, we also require the servicer to continue to pursue loss mitigation alternatives to resolve the delinquency before the conclusion of the foreclosure proceedings in an effort to mitigate potential losses. If, after acceleration and demand for all sums due under the mortgage, a mortgagor pays all delinquent amounts, agrees with us to accept an arrangement for reinstatement of the mortgage or arranges for the sale or conveyance of the mortgaged property to a third party or us, the servicer may terminate the foreclosure proceedings and withdraw the demand. If the mortgagor again becomes delinquent, we generally will make a new demand for acceleration and the servicer will commence new foreclosure proceedings.

In recognition of the fact that mortgage loans that are delinquent are at higher risk for abandonment by the mortgagor, and may also face issues related to the maintenance of the property, we have developed guidelines for servicers when inspecting properties for which a monthly payment is delinquent. Depending on various factors, such as the ability to contact the mortgagor, the delinquency status of the account, and the property occupancy status, a servicer may hire a vendor to inspect the related property to determine its condition. If the inspection indicates the property is vacant and abandoned and in need of property safeguarding measures, such as securing or winterizing, the servicer will ensure the appropriate safeguards are implemented in accordance with industry, legal and Freddie Mac standards including our allowable expense limits.

Bankruptcy. When a mortgagor files for bankruptcy, the servicer's options for recovery are more limited. The servicer monitors bankruptcy proceedings and develops appropriate responses based on a variety of factors, including: (i) the chapter of the United States Bankruptcy Code under which the mortgagor filed; (ii) federal, state and local regulations; (iii) determination-of-claim requirements; (iv) motion requirements; and (v) specific orders issued through the applicable court. In general, when a mortgagor who has filed for bankruptcy protection becomes delinquent or defaults under the terms of the mortgage note, we instruct our servicers to engage counsel to file a motion for relief from stay that will allow the servicer to commence foreclosure proceedings. Servicers report information about mortgagors and mortgages affected by a bankruptcy proceeding to Freddie Mac on a periodic basis.

Foreclosure. The terms of the mortgage note, security instrument and state law provide mortgagees the right to commence a proceeding against the mortgagor to foreclose on the mortgage loan and/or enforce the mortgage note, provided certain requirements concerning endorsement of the note and/or assignment of the mortgage instrument are met. The servicer is responsible for most aspects of foreclosure beginning with sending appropriate pre-foreclosure notices, referring the mortgage to foreclosure counsel or a mortgage trustee, instructing and supervising foreclosure counsel or the mortgage trustee during the foreclosure process and participating in the foreclosure sale. If a third party purchases the mortgaged property at the foreclosure sale, the servicer has the responsibility for remitting the foreclosure sale proceeds to Freddie Mac. If the servicer bids at the foreclosure sale in an amount as required under the Guide or as otherwise instructed by us, and is the winning bidder, then the servicer is responsible for securing a deed providing clear title to the mortgaged property and presenting the deed to the property to Freddie Mac or to Freddie Mac on behalf of the Trust. Various federal and state laws have recently been enacted that add new requirements to the pre-foreclosure and foreclosure process which may make foreclosure more costly, lengthy and, in some cases, may render us unable to conduct a foreclosure altogether. These laws may negatively impact the mortgage loans. Furthermore, as discussed in *"Risk Factors — Risk Relating to the Mortgage Loans — Statutory and Judicial Limitations on Foreclosure Procedures May Delay Recovery in Respect of the Mortgaged Properties and, in Some Instances, Limit the Amount That May be Recovered by the Underlying Servicers, Resulting in Realized Losses on the Mortgage Loans That Might be Allocated to the Certificates"* numerous jurisdictions have challenged Freddie Mac's

exemption from transfer taxes and there can be no assurance that certain jurisdictions will not challenge the Trust's exemption.

Managing REO Properties

General

The Trust will obtain title to REO Properties (i) when it, or the Underlying Servicer on its behalf, is the highest bidder at foreclosure sales of properties that secure non-performing Mortgage Loans or (ii) when a delinquent mortgagor chooses to transfer title to the mortgaged property to the Trust in lieu of going through the foreclosure process (*i.e.*, deed-in-lieu of foreclosure). Upon the Trust acquiring title to an REO Property, the Master Servicer will determine an estimated market value, establish a marketing plan to sell the REO Property as soon as practicable, and typically list it for sale with a real estate broker. Alternative methods of disposition, such as an auction, bulk REO sales or sealed bids, may be used if the traditional real estate disposition channels do not yield the best results. Certain jurisdictions require a period of time after foreclosure during which the mortgagor may redeem the property subject to state regulations. During the period when the mortgagor may redeem the property, the Master Servicer may not have the option to market the property. In addition, the Master Servicer generally does not market occupied properties with an active eviction or properties that are undergoing repairs. As a result, the Trust's holding period for these properties will be extended which will result in higher management, property preservation and related expenses, such as insurance costs, property taxes, and condominium or home owners' association assessments.

HomeSteps®, a Freddie Mac branded program responsible for the marketing and selling of Freddie Mac REO homes, will manage all REO Properties held by the Trust generally in the same manner that it manages Freddie Mac REO properties today. HomeSteps' mission is to effectively manage Freddie Mac's credit losses through effective and responsible REO property management strategies while stabilizing home values and supporting communities. REO property performance goals focus on achieving a balance between financial recovery, timelines, Freddie Mac's mission, FHFA regulatory and conservator housing policies and reputation.

HomeSteps employs various sales and marketing strategies to attract owner occupant buyers or investors, and approves and monitors asset expenditures on REO properties. HomeSteps utilizes a combination of specialized vendors, analytical tools and procedures to establish an estimated market value of REO properties, while managing property preservation and maintenance expenses and related property costs in an effort to preserve value and help stabilize communities. In an effort to maximize financial recovery and reduce liability risks, HomeSteps utilizes a flexible business model – hybrid outsourcing – to manage Freddie Mac's REO. The outsourcers use Freddie Mac's applications and supplier networks, which allows for considerable scalability and ensures consistent practices across the country. However, as Freddie Mac's REO properties volume has decreased, its reliance on certain outsourcers has diminished.

HomeSteps utilizes an extensive network of licensed, experienced and well-trained service providers, including, among others, repair contractors, eviction attorneys, listing brokers, auction companies, inspection companies, rental management companies and national title closing vendors. Service providers are subject to Freddie Mac's procurement and contracting requirements. In addition, Freddie Mac's staff provides training, on the ground support and monthly, quarterly and annual performance reviews for its vendors and monthly reviews of property inspections performed by listing brokers on REO properties. REO property is typically marketed through traditional real estate channels, although alternative marketing strategies are utilized as needed, including auction, bulk sales, and sealed bid channels. The Pooling and Servicing Agreement authorizes the Master Servicer to contract either directly with HomeSteps' vendors and other service providers or indirectly through the applicable Underlying Servicer with respect to REO Properties held by the Trust.

HomeSteps manages its REO properties with teams organized into functional areas.

- Redemption — Monitor REO properties throughout the redemption period.
- Eviction — Monitor occupant and personal property evictions and alternative solutions.
- Rental Management — Manage rental properties while marketing the REO for sale, if possible.
- Title — Monitor and manage title issues affecting clear title and marketability.

- Pre-List — Assess the REO property's current condition and prepare it for market.
- Valuation — Determine REO property's market value using valuation tools such as broker price opinions (BPOs), appraisals, and desktop reviews from external national valuation vendors and listing brokers.
- Preservation and Maintenance — Initial property preservation and ongoing maintenance.
- Repair — Manage the rehabilitation and repair process.
- Listing and Sales — Market REO properties and negotiate offers through external listing broker network or via the auction or bulk sales processes.
- Closing and Settlement — Manage the closing of the sale.
- Hazard Insurance — File and collect third party hazard insurance claims for damages incurred during occupancy of an REO property. Hazard insurance may not be retained after vacancy of the REO property.
- Repurchase and Repurchase Alternatives — Manage repurchase submissions and collections from servicers.
- Vendor Relationship and Performance Management — Monitor vendor performance, undertake remedies against vendors for contractual violations, and conduct regular account reviews.
- Quality Assurance — Review and assess external vendor performance and compliance with related controls, risks, policies and procedures. Coordinate all activities associated with internal/external exams or audits, including deliverables and remediation. Review and assess internal business unit performance related to controls, risks, and compliance.

To the extent that FHFA directs us to pursue an initiative that impacts REO properties, the REO Properties may also be subject to such an initiative and, as a result, such REO Properties, and thus, the Trust, may incur additional losses. For example, in connection with the Neighborhood Stabilization Initiative, which seeks the best disposition of distressed properties in particularly hard hit areas, certain low value properties may be donated to the community, demolished or repaired. The costs and losses associated with these activities will be borne by the Trust and may result in further Realized Losses that are allocated to the Certificates.

As of the Cut-Off Date, none of the Mortgage Loans are included in the Neighborhood Stabilization Initiative or other such initiatives.

The REO Intake Process

After a foreclosure sale is reported to us, property information is sent to HomeSteps and proprietary business systems assign a pre-approved listing broker to the property according to their geographical coverage area and available capacity. Freddie Mac personnel do not direct business to any listing broker or vendor, except in special circumstances. Once the listing broker accepts an assignment, they will perform an initial assessment of the property's condition and occupancy status.

Redemption and Confirmation Periods

Initial activities on an REO property are impacted by whether or not the property is located in a redemption state. Approximately one-third of all states have a redemption period during which the former owner may pay Freddie Mac an amount calculated by statute to "redeem" the REO property (*i.e.*, regain title to the property). The amount paid by the former owner usually corresponds to the sales price at foreclosure or the total indebtedness owed to Freddie Mac on the mortgage loan, depending upon the state. During the redemption period there is a possibility that the property may be occupied either by the former mortgagor or a tenant in place at the time of foreclosure, which can lead to increased levels of damage to the REO property and heighten the chances that an eviction will be necessary. The listing broker is assigned to perform periodic drive-by inspections, and HomeSteps monitors the property status based upon these inspections. A key goal is to shorten the redemption period if the property is voluntarily vacated prior to the end of the redemption period. If the

property is determined to be abandoned, Freddie Mac may seek to have the redemption rights waived through the local courts. Once the redemption period expires and the property is released, the same disposition process used for properties in non-redemption states is followed. Some states may also have a confirmation period during which the former owner may contest the foreclosure sale before a court declares the sale to be final or "confirmed." Confirmation periods range from several weeks to months. Depending upon the state, HomeSteps may not have title or possession of the REO property during the confirmation period.

Preservation & Maintenance

After title to a property comes into HomeSteps' inventory and is free from any applicable redemption or confirmation periods, the assigned listing broker checks the condition and the occupancy status of the property. If the property is occupied, the property is referred to an eviction team and the assigned attorneys begin the eviction process. If the property is vacant, the listing broker will initiate securing of the property. The broker or assigned preservation and maintenance company will prepare it for market. Listing brokers are required to inspect the properties weekly to ensure HomeSteps' preservation and maintenance standards are being applied consistently and monitor for any changes to the properties. Freddie Mac also uses national inspection companies to conduct additional property inspections each month.

Rental Management/Eviction

If properties are occupied, the occupants may be provided with options including the opportunity to accept relocation assistance (Cash for Keys) or to participate in the REO Rental Program (for qualified occupants to remain in qualified properties). When there are tenants with a valid existing lease, HomeSteps may be required by applicable state or local law to accept the existing lease or work with the tenants to establish a new Freddie Mac lease agreement. Freddie Mac may be able to market the property during the tenancy. As a matter of policy, HomeSteps continues to abide by the terms of the Federal Protecting Tenants from Foreclosure Act even though such law has lapsed.

If the occupant must be evicted, HomeSteps works with the assigned attorney to initiate the eviction process. The Cash for Keys program may be utilized to encourage the occupants to vacate in return for a cash payment to assist them in their relocation.

Title

Upon foreclosure, servicers are required to deliver to Freddie Mac clear and marketable title to the mortgaged property. HomeSteps works to ensure that Freddie Mac has clear title to the properties that secured Freddie Mac owned mortgages by working with external service providers to proactively resolve identified title issues so that the property is sold with clear and insurable title. Title is generally cleared prior to listing the property for sale; however, some complex title issues are submitted to HomeSteps to work with the appropriate servicer to buy back the property. HomeSteps will apply the same standards and processes to ensure that the Trust has clear title to the properties that secure any foreclosed Mortgage Loan.

Property Valuation and Disposition

When Freddie Mac, as Master Servicer, or the Trust has the legal right to access the property, the assigned listing broker will determine occupancy status and alert Freddie Mac to any damage that may be covered by a hazard insurance policy that was in place prior to the vacancy of the REO Property. Property valuation by Freddie Mac utilizes a variety of inputs, such as one or more BPOs or an appraisal. HomeSteps monitors daily performance, as well as overall trends in the valuation performance for the entire portfolio of REO Properties whether owned by Freddie Mac or by the Trust. Once Freddie Mac has established the estimated value, a marketing strategy and budget is developed for the property.

To establish an estimated market value for an REO Property, HomeSteps currently utilizes a valuation process requiring at least three opinions of value: (i) a broker's price opinion (BPO) from the listing broker, (ii) a second independent BPO from a national valuation vendor and (iii) an automated value from Freddie Mac's automated valuation model, Home Value Explorer® (HVE®). Based on the variance between the two BPOs and HVE, Freddie Mac's proprietary valuation methodology calculates the estimated market value. However, if the

variance is excessive, HomeSteps may either order an appraisal of the property by a licensed appraiser or conduct a desktop review to determine the estimated market value of the property. Validation processes are in place to achieve the final estimate of fair market value in an effort to reflect the most probable price which a property should bring in a competitive and open market under all conditions requisite for a fair sale, assuming that the buyer and seller, each act prudently and knowledgeably, and that the price is not affected by undue stimulus.

Special Sales Programs

HomeSteps maintains several special programs in order to encourage owner-occupants to purchase its REO properties. The "First Look" program allows potential owner occupants and non-profit organizations to make offers on REO properties for the first 20 days (30 days for REO properties located in Nevada, Cook County, IL and the City of Detroit, MI) that the REO property is listed for sale without competition from investor buyers. During the First Look period HomeSteps will not consider offers from buyers seeking to acquire REO properties for investment purposes. While HomeSteps will accept the highest and best offer received during the First Look period, the lower number of competitive bidders may lead to REO property being sold at prices that are less than may have been gained if investors' offers had been considered.

HomeSteps also has an agreement with the National Community Stabilization Trust wherein it will allow non-profit organizations and local governments to inspect and submit offers to purchase REO before the REO is inspected and listed for sale. In these cases the REO is sold to the National Community Stabilization Trust participating buyers at a discount to estimated fair market value.

HomeSteps also maintains a "Borrower Buy-Back" program allowing certain former owners or non-profit companies acting on behalf of a former owner to purchase the REO property. The former owner agrees to occupy the REO property and not re-sell it for at least one year. When a non-profit purchases the REO it agrees to re-sell the REO property to the former owner or rent the REO property to the former owner for at least one year. In each case the REO property may be sold with incentives and discounts that result in the sales price falling below fair market value.

Repurchase and Repurchase Alternatives

In the event that a seller or servicer did not originate or service the loan according to the Purchase Documents, Freddie Mac may require the seller or servicer, as applicable, to repurchase the loan or REO property, make Freddie Mac whole on any losses and/or indemnify Freddie Mac against future losses associated with the loan or REO property. A demand for repurchase or a Repurchase Alternative, which may provide for an opportunity to cure, may be issued for several reasons, including: non-marketable title issues, mortgage insurance/hazard insurance policies prematurely cancelled or premiums not paid, improper foreclosure and various collateral issues (*e.g.*, environmental, encroachments, ingress/egress, etc.). Any portion of the proceeds of a Repurchase Alternative that compensates Freddie Mac for losses that Freddie Mac incurs will be retained by Freddie Mac and will not be used in calculating Subsequent Recoveries. See *"Risk Factors — Risks Relating to the Mortgage Loans — The Performance of the Mortgage Loans Could be Dependent on the Underlying Servicers."*

Neither the Underlying Sellers nor Underlying Servicers will be permitted or required to repurchase Mortgage Loans or REO Properties until Freddie Mac has repurchased any such Mortgage Loans or REO Properties from the Trust.

Quality Assurance

HomeSteps evaluates vendors to determine compliance with its policies and procedures as well as with certain external laws and regulations that, if not followed, may result in liability to Freddie Mac or the Trust, with respect to the REO Properties in the Trust. HomeSteps will also review an Underlying Servicer's compliance with certain of the Servicing Requirements that would impact the Trust's ability to sell a property (e.g., clear and marketable title requirements). HomeSteps is also responsible for managing internal and external audits and exams. The HomeSteps team works very closely with Freddie Mac's Internal Audit department, external auditors, regulators and other government entities.

Servicing Alignment Initiative and Making Home Affordable Programs

While Freddie Mac participates in the Making Home Affordable (**"MHA"**) program sponsored by the United States Department of the Treasury and the FHFA, the Mortgage Loans are ineligible for participation in MHA programs due to their date of origination. However, Freddie Mac's loss mitigation programs and workout options detailed in the Guide and TOBs are similar to several MHA programs and provide a robust suite of alternatives to foreclosure.

In 2012, we began implementing and continue to implement the FHFA-directed Servicing Alignment Initiative, under which we and Fannie Mae are aligning certain standards for servicing non-performing mortgage loans owned or guaranteed by Freddie Mac and Fannie Mae. We believe that the **"Servicing Alignment Initiative"** will continue to: (i) change, among other things, the way servicers communicate and work with delinquent mortgagors; (ii) bring greater consistency and accountability to the servicing industry; and (iii) help more financially distressed mortgagors avoid foreclosure. We have provided standards to our servicers under this initiative that require them to initiate earlier and more frequent communication with delinquent mortgagors, employ consistent requirements for collecting documents from mortgagors, and follow consistent timelines for responding to mortgagors and for processing foreclosures. These standards have resulted in greater alignment of servicer processes.

Under these new servicing standards, we pay incentives to servicers based on results in servicing delinquent mortgage loans. We also assess compensatory fees if servicers do not achieve minimum performance benchmarks with respect to servicing delinquent mortgage loans. The incentive fees will not be an expense of the Trust. Moreover, any compensatory fees, in addition to the portion of any proceeds from Repurchase Alternatives intended to compensate Freddie Mac for damages that it suffers, that the Master Servicer receives will be retained by the Master Servicer and will not be passed on to the Trust.

Monitoring Servicing Performance, Freddie Mac Servicer Success Program

Servicers must report regularly to us on servicing activities related to the mortgages they are servicing. The servicers must report, among other things, adverse matters, charge-offs approved by Freddie Mac, reports to credit repositories, foreclosures, monthly delinquencies, REO repurchases and transfers of ownership. The servicers are instructed to deliver an annual officer's certificate to us, on or before the date specified in the Guide and any applicable TOBs, stating that (i) a review of the servicer's activities during the preceding calendar year and of its performance under the Guide has been made under the supervision of the officer, and (ii) to the best of the officer's knowledge, based on that review, the servicer complied with the Guide and TOBs in all material respects throughout the year, or, if the servicer failed to comply with the Guide in any material respect during that year, specifying the failure known to the officer and the nature and status of that failure and the action proposed to be taken with respect thereto.

We have established a program to monitor and improve servicing performance (the **"Servicing Success Program"**). The purpose of the program is to encourage communication with and improve performance of our servicers. We have established an internal unit to support the program and assigned account managers to provide individualized attention to their assigned servicer or group of servicers. This unit also collects information about servicer performance, from both internal and external sources, and regularly assesses this data. Default servicing and management is one of their primary focuses and servicers are continuously monitored based upon various metrics. We collect and synthesize this data, which measures a servicer's performance based on key criteria in two categories: investor reporting and remitting, and default management.

We also conduct file reviews of some servicers, both remotely and in the servicers' offices, in order to assess servicing and default management performance. These file reviews are in addition to credit and compliance reviews of the mortgage loans we undertake as part of our quality control process. See *"— Freddie Mac Quality Control Process"* below. We may conduct the following types of file reviews:

- Prudent Servicing Review: An assessment of the servicer's collection activities, loss mitigation activities, timeline management, and property preservation processes.

- Short Sale Compliance Review: An assessment of the servicer's compliance with the requirements of the Guide and TOBs, as applicable, regarding completed short sales.
- Loan Modification Compliance Review: An assessment of the servicer's compliance with the requirements of the Guide and TOBs, as applicable, regarding completed modifications.

Freddie Mac may modify or expand the types of file reviews it conducts from time to time. No assurances are made that any of the Mortgage Loans will be subject to such a review.

Freddie Mac considers factors such as trends in performance, adequacy of staffing, audit results, the results of the Servicer Success Scorecard, Servicer Success File Reviews, and/or compliance with the Servicing Requirements in evaluating whether the servicer's overall performance is unacceptable for purposes of continued eligibility as an approved servicer. If a servicer is placed in the bottom 25% of its peer group of servicers based on results from our Servicer Success Scorecard, the servicer is presumed to have an unacceptable Servicer Success Scorecard result. If a servicer's overall performance is deemed unacceptable or a servicer does not meet the goals set forth in a TOB, we may terminate the servicer's right to service, either partially or in full, with or without cause. Under our Servicing Success Program, Freddie Mac evaluates a servicer's performance with respect to all mortgages that such servicer services on behalf of Freddie Mac and will not separately measure performance with respect to the Mortgage Loans serviced by an Underlying Servicer. In general, we work with servicers to develop policies and controls to improve servicing. If servicing, in whole or in part, is removed from a servicer, we have the discretion to determine if, and to what extent, that servicer may return to servicing mortgage loans under our Guide in the future. See *"Risk Factors — Risks Relating to the Mortgage Loans — Servicing Transfers May Result in Decreased or Delayed Collections and Losses"*.

Servicer Termination Event

We may terminate all or any portion of servicing by a servicer at any time with cause or without cause, in whole or in part. Moreover, we may change our policies in the future with respect to servicing that could lead to servicer termination events. The reasons for terminating with cause include, but are not limited to, insolvency or bankruptcy, failure to maintain qualified servicing staff, the servicer's failure to comply with the Servicing Requirements, our determination that the servicer's overall performance is unacceptable, the servicer's failure to fulfill any obligation to us when due, an unacceptably high delinquency rate, an unacceptably high REO conversion rate, the servicer's failure to account for disposition of all monies and the servicer's misstatement, misrepresentation or omission of any material fact on any document submitted or oral representation made. See *"Risk Factors — Risks Relating to the Mortgage Loans — Servicing Transfers May Result in Decreased or Delayed Collections and Losses"*.

Due Diligence Review

General

In connection with the issuance of the Certificates, the Seller engaged the Diligence Provider to conduct a review of certain aspects of the Mortgage Loans on a sample of the proposed Pool (the **"Diligence Provider Review"**). The fees and expenses of the Diligence Provider were paid by the Seller and the scope and design of the review were determined by the Seller in consultation with the Diligence Provider. The Diligence Provider periodically selected a random sample of the mortgage loans for the Diligence Provider Review. The results of the review were provided to the Underwriters.

Seven-hundred and eighty (780) mortgage loans (the **"Purchase Population"**) were purchased during the period between August 2015 and May 2016, and 198 mortgage loans (the **"Due Diligence Sample"**) were selected for review by the Diligence Provider. The Due Diligence Sample included at least one loan from each state that has anti-predatory lending laws that may result in assignee liability. The Due Diligence Sample was assessed by both the Diligence Provider and Freddie Mac as described herein. The review by Freddie Mac was completed in accordance with its quality control process described under *"— Freddie Mac Quality Control Process"*.

Each of the 198 mortgage loans in the Due Diligence Sample (approximately 25.4% of the Purchase Population by loan count) was subject to a credit review, an appraisal review and a data integrity review. In

addition, 31 mortgage loans (approximately 4.0% of the Purchase Population by loan count) were subject to an additional review for compliance with laws that may result in assignee liability and for compliance with laws that restrict points and fees (the **"Compliance Review Sample"**). The compliance review did not include examination of documents to ensure that the mortgage loans in the Compliance Review Sample comply with all local, state and federal laws.

Three of the mortgage loans in the Due Diligence Sample were identified as having underwriting defects; therefore, three mortgage loans were excluded from the Mortgage Pool as a result of the Diligence Provider Review. Certain of the mortgage loans included in the Due Diligence Sample have prepaid since they were selected for the Due Diligence Sample. Other mortgage loans in the Purchase Population have also prepaid since they were purchased by Freddie Mac.

Credit Reviews

The Diligence Provider performed a credit review on all of the mortgage loans in the Due Diligence Sample. The Diligence Provider employed processes and procedures that were agreed to with the Seller to review the mortgage loans. These processes and procedures included reviewing the terms of the mortgage loans and the information in the related mortgage loan files in order to assess whether the mortgage loans complied with Freddie Mac's eligibility requirements set forth in the Purchase Documents.

The Diligence Provider's credit review of the Due Diligence Sample determined that three of the mortgage loans were found to have an underwriting defect. Each of those three mortgage loans, (approximately 1.5% of the Due Diligence Sample by loan count) had been previously determined to have underwriting defects through Freddie Mac's quality control process. A repurchase request was issued to the related Underlying Seller and the mortgage loans were excluded from the Mortgage Pool. The table below describes the exceptions found by the Diligence Provider on the three mortgage loans:

Exceptions	Number of Loans	As a Percentage of the Due Diligence Sample
DTI (Debt-to-income)	1	0.5%
Income/Employment	1	0.5%
Legal Documents	1	0.5%
Total	**3**	**1.5%**

Appraisal Reviews

The Diligence Provider was able to obtain property valuations on all the mortgage loans in the Due Diligence Sample. The values that the Diligence Provider was able to obtain were primarily obtained through the Diligence Provider's proprietary automated valuation model (**"AVM"**), which did not utilize interior or exterior property inspections of the properties and such values were not determined by certified licensed appraisers in accordance with the USPAP. The results of these retrospective valuations were compared to the original appraised values. From this comparison, the Diligence Provider obtained desk reviews for 44 mortgage loans (approximately 22.2% of the Due Diligence Sample by loan count) that had a negative AVM variance of over 10% or the Diligence Provider was unable to obtain an AVM value and compared the desk reviews to the original appraised values for those mortgage loans. A desk review consists of a valuation analysis whereby the appraiser makes a separate selection of comparable sales, which may or may not be the same as those used in the original appraisal and, using a rules-based valuation model, makes an independent determination as to whether the original appraised value is supported. The Diligence Provider then obtained an independent field review for two mortgage loans (approximately 1.0% of the Due Diligence Sample by loan count) where the desk review results reflected a negative variance of over 10% of the original appraised value. Those reviews were performed by licensed review appraisers who completed the field reports that included an onsite property inspection in accordance with the USPAP.

None of the mortgage loans in the Due Diligence Sample for which the Diligence Provider was able to obtain property valuations had negative valuation variances of over 10% from the original appraisals. Investors should expect that, to the extent valuation variances as described in this paragraph are identified in the future on any other Mortgage Loans, they will not be treated as possible underwriting defects.

Data Integrity Reviews

The Seller prepared a mortgage loan data tape that included certain characteristics of the Mortgage Loans. That data tape was used to generate the statistical information regarding the Mortgage Loans included in this Offering Circular.

For each mortgage loan in the Due Diligence Sample, the Diligence Provider compared 29 fields between the data tape and the mortgage loan files including: product type, property state, postal code, first payment date, maturity date, original interest rate (aka original note rate), original unpaid principal balance, loan purpose, property type, number of units, occupancy status, number of borrowers, Credit Score, original loan-to-value (LTV), original combined loan-to-value (CLTV), original home equity line of credit (HELOC) combined loan-to-value (HCLTV), original debt-to-income (DTI) ratio, first time homebuyer, prepayment penalty indicator (aka prepayment penalty mortgage (PPM) flag, mortgage insurance percentage (MI%), original loan term, note date, mortgage insurance company name, lien position, property valuation type, property valuation date, mortgage insurance (MI) lender or borrower paid, home equity line of credit (HELOC) indicator and channel.

With respect to 10 mortgage loans individually identified in Appendix B (approximately 5.1% of the mortgage loans in the Due Diligence Sample by loan count), 12 discrepancies (approximately 0.21% of the total fields reviewed), with respect to the reviewed characteristics that were identified by the Diligence Provider, exclusive of original DTI discrepancies that were within 5%, plus or minus, of the value provided in the data tape; two mortgage loans had original DTI differences that were greater than or equal to 2% but less than or equal to 5%. It should be noted that four of the discrepancies identified in Appendix B (as represented by loan identifiers designated as "N/A") correspond to two mortgage loans that are not included as assets of the Trust due to principal payments in full, removal as part of Freddie Mac's quality control process and/or removal as part of the Diligence Provider's review process.

The following table summarizes the discrepancy types identified by the Diligence Provider relative to the Due Diligence Sample, exclusive of differences in DTI calculations that were within +/–5.0%.

	Number of Mortgage Loans with Discrepancies	Percentage of Due Diligence Sample
First Time Homebuyer	3	1.5%
DTI greater than 5% higher	2	1.0%
Channel	2	1.0%
CLTV	2	1.0%
HCLTV	1	0.5%
LTV	1	0.5%
Property Valuation Date	1	0.5%
Total	**12**	**6.0%**

Compliance Reviews

The Diligence Provider reviewed the Compliance Review Sample for compliance with certain federal and state anti-predatory lending and regulations, and the Freddie Mac responsible lending policy (formerly known as the Freddie Mac anti-predatory lending policy).

The compliance portion of the Diligence Provider Review was limited to assessing whether the mortgage loans in the Compliance Review Sample complied with certain laws in states that may result in assignee liability and for compliance with laws restricting points and fees. Investors should note that only mortgage loans that are identified as violating laws that may result in assignee liability or that restrict points and fees will be treated as having possible underwriting defects. None of the mortgage loans in the Compliance Review Sample were determined to have underwriting defects and no mortgage loan was excluded from the Mortgage Pool on such basis. Investors should also be aware that the Diligence Provider Review did not include any specific review for technical compliance with TRID.

Limitations of the Diligence Provider's Review Process

As noted above under the risk factor captioned *"Risk Factors — Risks Relating to the Mortgage Loans — Limited Scope and Size of the Diligence Provider's Review of the Mortgage Loans May Not Reveal Aspects of the Due Diligence Sample Which Could Lead to Realized Losses,"* there can be no assurance that the review conducted by the Diligence Provider uncovered all relevant factors relating to the origination of the Mortgage Loans, their compliance with applicable laws and regulations or uncovered all relevant factors that could affect the future performance of the Mortgage Loans. The review was performed on a sample that did not include all of the Mortgage Loans in the Mortgage Pool and the Mortgage Loans that were included in the review may have characteristics that were not discovered, noted or analyzed as part of the Diligence Provider Review that could, nonetheless, result in those Mortgage Loans failing to perform in the future.

Investors are advised that the aforementioned review procedures carried out by the Diligence Provider were performed for the benefit of Freddie Mac and the Underwriters. The Diligence Provider makes no representation and provides no advice to any investor or future investor concerning the suitability of any transaction or investment strategy. The Diligence Provider performed only the review procedures described herein and is not responsible for any decision to include any Mortgage Loan in the Mortgage Pool. Investors are encouraged to make their own determination as to the extent to which they place reliance on the limited loan review procedures carried out as part of this review.

Freddie Mac Quality Control Process

General

When Freddie Mac purchases a mortgage loan, we rely on representations and warranties of the seller with respect to certain matters. These representations and warranties cover such matters as:

- The accuracy of the information provided by the mortgagor.
- The accuracy and completeness of any information provided by a seller to us, including third party reports prepared by qualified professionals, such as property appraisals and credit reports.
- The validity of each mortgage loan as a first lien.
- The fact that payments on each mortgage loan are current at the time of delivery to us.
- The physical condition of the mortgaged property.
- The originator's compliance with applicable federal, state and local laws, including state responsible lending statutes and other applicable laws.
- The seller/servicers' compliance with our purchase agreements, including the Guide and any applicable TOBs.

The document custodians check certain stated terms of the mortgage loan documents, but we generally do not independently verify the terms in the mortgage loan documents. Moreover, our quality control processes are not designed to uncover all violations of applicable representation and warranties related to the mortgage loans. See *"Risk Factors — Risks Relating to the Mortgage Loans — Freddie Mac's Limited Review of a Sample of the Mortgage Loans May Not Reveal All Aspects Which Could Lead to Losses"*.

Performing Loan Quality Control Review

As part of our on-going quality control process, for a sample of mortgage loans we have purchased, we review the mortgagor's origination documentation for compliance with the Guide and any applicable TOBs. We also compare certain seller delivered data elements against the origination documentation for loans in the quality control sample. If data discrepancies are identified, the applicable mortgage loans are reviewed to determine the impact of the adjusted data to the adherence of the mortgage loans to our requirements. Some data discrepancies may cause the mortgage loans to appear to have underwriting defects. The most common underwriting defects found in the reviews of all loans purchased by Freddie Mac during the first three quarters of 2015 related to insufficient income and inability to calculate income. Other common defects include insufficient funds to close, excessive obligations and ineligible properties. We give our seller/servicers an opportunity to appeal repurchase request in response to our request for the repurchase of any mortgage loan.

Freddie Mac Due Diligence Review

At the same time the Diligence Provider was reviewing the mortgage loans in the Due Diligence Sample, as discussed in *"— Due Diligence Review"*, we reviewed the same sample of mortgage loans (i) to verify that each mortgage loan reviewed (a) was made to a mortgagor from whom repayment of the mortgage loan can be expected and (b) is secured by collateral that supports the value and marketability of the mortgaged property, (ii) to perform a data integrity review and (iii) with respect to the Compliance Review Sample, to monitor compliance with certain laws that may result in assignee liability and/or compliance with laws restricting points and fees.

Results of the Freddie Mac Due Diligence Credit Review and Appraisal Review

All mortgage loans in the Due Diligence Sample were reviewed by Freddie Mac against the underwriting standards set forth in the Guide and any applicable TOBs in effect at the time of purchase by us, including a review of the original appraisals of the mortgaged properties that were obtained in connection with the origination of those mortgage loans. The original appraisal value of the mortgaged property was reviewed against (i) a value from our automated valuation model, HVE, when available, and (ii) additional tools, when appropriate by an underwriter, in order to assess if the original appraisal report supported the value and marketability of the subject property. We require each Underlying Seller to have appraisal guidelines that include adherence to the requirements set forth in the Purchase Documents in effect at the time of purchase by us, that payments for the appraisal may not be conditioned upon a particular valuation and that future business from the Underlying Seller may not be used to influence or attempt to influence the valuation. To the extent the HVE value indicated that the original appraisal report significantly exceeded the actual value, we used other tools, including review appraisals, to determine if value and marketability of the mortgaged property was supported. Our credit review also captures the names of parties to the mortgage loan transactions and compares them to Freddie Mac's exclusionary list, which is comprised of individuals and companies that are prohibited from participating in transactions involving Freddie Mac, either directly or indirectly, due to lack of integrity or business competency. We would have required the Underlying Seller to repurchase any mortgage loan that was originated with parties on the exclusionary list. None of the mortgage loans in the Due Diligence Sample had origination parties on the exclusionary list.

None of the procedures conducted as part of our review constituted, either separately or in combination, an independent underwriting of the mortgage loans. In addition, the procedures conducted as part of the review of the original appraisals were not re-appraisals of the mortgaged properties. To the extent that valuation tools were used as part of the appraisal review process, they should not be relied upon as providing an assessment of value of the mortgaged properties comparable to that which an appraisal might provide. They also are not an assessment of the current value of any of the mortgaged properties.

Freddie Mac concurred with the results identified by the Diligence Provider described in *"— Due Diligence Review — Credit Reviews"* and "*— Due Diligence Review — Appraisal Reviews*".

Results of the Freddie Mac Due Diligence Compliance Review

Some mortgage loans in the Due Diligence Sample were selected for responsible lending reviews, and were reviewed to assess whether those mortgage loans were originated in compliance with our responsible lending policy and laws that restrict points and fees. In general, our responsible lending policy prohibits us from purchasing mortgage loans in states that impose assignee liability for violations of laws governing high-cost home loans and mortgage loans that have certain unacceptable terms and conditions (such as prepayment penalties, mandatory arbitration clauses and single premium credit life insurance). Our compliance review does not include examination of documents to ensure that the loan complies with all laws. Any mortgage loan that violates our charter or responsible lending policy would have been excluded from the Mortgage Pool. However, we may make certain exceptions for mortgage loans with minor technical violations or missing documentation that, notwithstanding the related violations, we determine to be acceptable mortgage loans. No such violations were found in the Freddie Mac compliance review.

Freddie Mac concurred with the results identified by the Diligence Provider described in *"— Due Diligence Review — Compliance Reviews"*.

Results of the Freddie Mac Due Diligence Data Integrity Review

As part of the review procedures conducted by Freddie Mac for this offering, Freddie Mac engaged a third party to assist it in certain elements of the data integrity review, the purpose of which is to provide reasonable assurance that the disclosure regarding the Mortgage Pool in this Offering Circular is accurate in all material respects. Freddie Mac determined the nature, extent and timing of the review and the level of assistance provided by such third party. Freddie Mac has ultimate authority and control over, and assumes all responsibility for such review, and the findings and conclusions of such review. Freddie Mac attributes all findings and conclusions of such review to itself.

Freddie Mac received mortgage loan data from each Underlying Seller and, in connection with this offering, prepared a mortgage loan data tape that included certain characteristics of the Mortgage Loans. In addition, Freddie Mac compared 29 characteristics (as applicable) with respect to the 198 mortgage loans in the Due Diligence Sample. This comparison was conducted by comparing electronic copies of the original mortgage loan documents and system generated documents provided by Freddie Mac to the corresponding information set forth on the mortgage loan data tape. This comparison included: product type, property state, postal code, first payment date, maturity date, original interest rate (aka original note rate), original unpaid principal balance, loan purpose, property type, number of units, occupancy status, number of borrowers, Credit Score, original loan-to-value (LTV), original combined loan-to-value (CLTV), original home equity line of credit (HELOC) combined loan-to-value (HCLTV), original debt-to-income (DTI) ratio, first time homebuyer, prepayment penalty indicator (aka prepayment penalty mortgage (PPM) flag), mortgage insurance percentage (MI%), original loan term, note date, mortgage insurance company name, lien position, property valuation type, property valuation date, mortgage insurance (MI) lender or borrower paid, home equity line of credit (HELOC) indicator and channel.

Freddie Mac identified discrepancies with respect to one or more characteristics for six mortgage loans in the Due Diligence Sample (approximately 3.0% of the Due Diligence Sample by loan count). The discrepancies between the mortgage loan data tape and the original mortgage loan or system-generated documents were for the following data fields: first time homebuyer, HCLTV, CLTV, LTV, property valuation date and channel.

Freddie Mac concurred with the results identified by the Diligence Provider described in *"— Due Diligence Review — Data Integrity Reviews"*.

Freddie Mac determined that the discrepancies were not material from a credit risk perspective and that it would have purchased the mortgage loans with the adjusted data. Further, investors should note that Freddie Mac worked with the Underlying Sellers to complete some limited updates to the Mortgage Loan data tape to reflect these data discrepancies identified in the Due Diligence Sample. As a result, certain numerical disclosure in this Offering Circular only reflects updated data for the first time homebuyer, property valuation date and channel.

Limitations of Freddie Mac's Due Diligence Review

As noted under the Risk Factor captioned *"Risks Relating to the Mortgage Loans — Freddie Mac's Limited Review of a Sample of the Mortgage Loans May Not Reveal All Aspects Which Could Lead to Losses,"* there can be no assurance that our review uncovered all relevant factors relating to the origination of the Mortgage Loans, the Underlying Sellers' compliance with applicable law and regulations and the original appraisals relating to the mortgaged properties; or uncovered all relevant factors that could affect the future performance of the Mortgage Loans. We reviewed a sample of the Mortgage Loans (which review may not detect all underwriting defects for loans that were reviewed) and the Mortgage Loans that were included in the review may have characteristics that were not discovered, noted or analyzed as part of the review that could, nonetheless, result in those Mortgage Loans failing to perform in the future.

Investors are encouraged, in particular, to note the following with respect to the appraisal review that was conducted as part of our review.

- Differences may exist among and between estimated valuations due to the subjective nature of estimated valuations and appraisals, particularly between different appraisers estimating valuations or performing appraisals at different points in time, as well as among appraisers and other persons reviewing the appraisals or other valuations.
- Appraisals and other valuations represent the analysis and opinion of the person performing the appraisal or valuation at the time it is prepared, and are not guarantees of, and may not be indicative of, the present or future value of the mortgaged property.

Investors are encouraged to make their own determination as to the extent to which they place reliance on the limited loan review procedures carried out on only a percentage of the Mortgage Loans as part of our review.

HISTORICAL INFORMATION

Loan-level credit performance data on a portion of fixed-rate single-family mortgage loans originated during the period from 1999 through the second quarter of 2015 is available online at http://www.freddiemac.com/news/finance/sf_loanlevel_dataset.html (the **"Single Family Loan-Level Dataset"**). The Single Family Loan-Level Dataset provides actual loss and monthly loan performance data, including credit performance information up to and including property disposition, through December 31, 2015. Specific credit performance information in the Single Family Loan-Level Dataset includes voluntary prepayments and mortgage loans that were foreclosure alternatives and REOs. Specific actual loss data in the Single Family Loan-Level Dataset includes net sales proceeds, mortgage insurance recoveries, non-mortgage insurance recoveries, expenses, current deferred unpaid principal balance and the due date of the last paid installment. Access to this web address is unrestricted and free of charge. The various loans for which performance information is shown at the above internet address had initial characteristics that differed, and may have differed in ways that were material to the performance of the Mortgage Loans. These differing characteristics include, among others, product type, credit quality, geographic concentration, average principal balance, weighted average interest rate and weighted average loan-to-value ratio. We do not, and the Trust Agent and the Securities Administrator do not, make any representation, and you should not assume, that the performance information shown at the above internet address is in any way indicative of the performance of the Mortgage Loans.

The Single Family Loan-Level Dataset available on our website relating to any of our mortgage loans is not deemed to be part of this Offering Circular. Various factors may affect the prepayment, delinquency and loss performance of the Mortgage Loans over time. Investors should be aware that 30-year, fixed-rate, super-conforming loans represent a subset of the Single Family Loan-Level Dataset.

The Mortgage Loans may not perform in the same manner as the mortgage loans in the Single Family Loan-Level Dataset as a result of the various credit and servicing standards we have implemented over time. Prior to 2009, Freddie Mac did not buy super-conforming mortgage loans and, accordingly, the Single Family Loan-Level Dataset does not include such mortgage loans prior to such time. Additionally, due to adverse market and economic conditions, and based in part on our reviews of the underwriting quality for loans originated in 2005 through 2008, we have implemented several credit changes since 2008. These credit changes are defined by specified criteria such as LTV, Credit Score and DTI. We cannot predict how these credit changes will affect the performance of the Mortgage Loans compared to the performance of prior vintages of mortgage loans. See also *"Risk Factors — Risks Relating to the Mortgage Loans — Underwriting Standards Used by Many of Freddie Mac's Underlying Sellers May be Less Stringent than Required by Freddie Mac*'s *Guide"* and *"—Servicers May Not Follow the Requirements of Our Guide or TOBs, and Servicing Standards May Change Periodically"*.

DESCRIPTION OF THE CERTIFICATES

General

On the Closing Date, the Seller will sell the Mortgage Loans to the Trust and the Trust will issue Certificates pursuant to the Pooling and Servicing Agreement. The Certificates will represent interests in the

assets of the Trust, which on the Closing Date will consist of (i) the Mortgage Loans, (ii) such assets as from time to time are identified as deposited in respect of the Mortgage Loans in the Collection Account and the Certificate Account, (iii) property acquired by foreclosure of the Mortgage Loans or deed-in-lieu of foreclosure, (iv) any applicable insurance policies, (v) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing and (vi) the obligations of Freddie Mac pursuant to the Freddie Mac Guarantee with respect to the Senior Certificates.

The Offered Certificates have the approximate initial Class Principal Amounts set forth on the cover page of this Offering Circular. The Class Coupon for each Class of Offered Certificates will be the per annum rate set forth on the cover page of this Offering Circular. The Certificates will be offered only in book-entry form on the book entry system of The Depository Trust Company.

The Certificates will receive distributions of principal and interest in accordance with the distribution rules set forth in the Pooling and Servicing Agreement. The Certificates will be subject to the allocation of Realized Losses and Certificate Writedown Amounts, which will reduce their Class Principal Amounts. To the extent that the Class 1-A or Class 2-A Certificates are allocated Realized Losses or Certificate Writedown Amounts, the Guarantor will be required to make a Guarantor Principal Payment.

Structure of Transaction

This transaction is structured as a double-tier REMIC. Specifically, the Upper-Tier and Lower-Tier REMIC Pools are structured as follows:

REMIC Pool	Classes Issued from REMIC Pool	REMIC Pool Assets
Upper-Tier	Class 1-A, Class 2-A, Class M-1, Class M-2, Class B and Class R	All Lower-Tier regular interests
Lower-Tier	Lower-Tier regular interests and Class RS	The Mortgage Loans

Form, Registration and Transfer of the Certificates

The Offered Certificates will be Book-Entry Certificates and will be available in fully-registered form (such form, the **"Definitive Certificates"**) only in limited circumstances described below.

The Class 1-A and Class 2-A Certificates are issued, held and transferable in minimum denominations of $1,000 and additional increments of $1. The Offered Certificates are not intended to be and should not be directly or indirectly held or beneficially owned in amounts lower than such minimum denominations. A single Certificate of each Class may be issued in an amount different (but not less) than the minimum denominations described above.

The Securities Administrator will initially serve as paying agent, note registrar and transfer agent for purposes of making calculations and distributions with respect to the Offered Certificates and providing for registration, transfers and exchanges of the Certificates. In addition, we will perform certain reporting and other administrative functions.

Book-Entry Certificates. Persons acquiring beneficial ownership interests in the Book-Entry Certificates (**"Certificate Owners"**) will hold such Certificates through The Depository Trust Company (**"DTC"**) in the United States and Clearstream or Euroclear outside the United States, if they are participants of such systems (the **"Participants"**), or indirectly through organizations which are participants in such systems (the **"Indirect Participants"**). Each Class of Book-Entry Certificates initially will be represented by one or more physical certificates registered in the name of Cede & Co., the nominee of DTC. Except as described below, no Certificate Owner will be entitled to receive a Definitive Certificate. Unless and until Definitive Certificates are issued, it is anticipated that the only Certificateholder of the Book-Entry Certificates will be Cede & Co., as nominee of DTC. Certificate Owners will not be Certificateholders as that term is used in the Pooling and Servicing Agreement. Certificate Owners are only permitted to exercise their rights indirectly through Participants, Indirect Participants, Clearstream, Euroclear and DTC.

The Securities Administrator or another designated institution will act as the custodian for Book-Entry Certificates on DTC and as the **"Common Depository"** for Book-Entry Certificates which clear and settle through Euroclear and Clearstream.

A Certificate Owner's ownership of a Book-Entry Certificate will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (each, a **"Financial Intermediary"**) that maintains the Certificate Owner's account for such purpose. In turn, the Financial Intermediary's ownership of such Book-Entry Certificate will be recorded on the records of DTC (or of a participating firm that acts as agent for the Financial Intermediary, whose interest will in turn be recorded on the records of DTC, if the Certificate Owner's Financial Intermediary is not a Participant but rather an Indirect Participant), and on the records of Clearstream or Euroclear, and their respective Participants or Indirect Participants, as applicable.

Certificate Owners will receive all distributions of principal and interest on the Book-Entry Certificates from the Securities Administrator through DTC (and Clearstream or Euroclear, as applicable) and Participants. While the Book-Entry Certificates are outstanding (except under the circumstances described below), under the rules, regulations and procedures creating and affecting DTC and its operations (the **"Rules"**), DTC is required to make book-entry transfers among Participants on whose behalf it acts with respect to the Book-Entry Certificates and is required to receive and transmit distributions of principal of, and interest on, the Book-Entry Certificates. Participants and Indirect Participants with whom Certificate Owners have accounts with respect to Book-Entry Certificates are similarly required to make book-entry transfers and receive and transmit such distributions on behalf of their respective Certificate Owners. Accordingly, although Certificate Owners will not possess certificates representing their respective interests in the Book-Entry Certificates, the Rules provide a mechanism by which Certificate Owners will receive distributions and will be able to transfer their interest. It is expected that distributions by Participants and Indirect Participants to Certificate Owners will be governed by such standing instructions and customary practices. However, distributions of principal and interest in respect of such Book-Entry Certificates will be the responsibility of the applicable Participants and Indirect Participants and will not be the responsibility of DTC (or Clearstream or Euroclear, as applicable), the Issuer or the Securities Administrator once paid or transmitted by them.

As indicated above, Certificate Owners will not receive or be entitled to receive certificates representing their respective interests in the Book-Entry Certificates, except under the limited circumstances described below. Unless and until Definitive Certificates are issued, Certificateholders who are not Participants may transfer ownership of Book-Entry Certificates only through Participants and Indirect Participants by instructing such Participants and Indirect Participants to transfer Book-Entry Certificates, by book-entry transfer, through DTC (or Clearstream or Euroclear, as applicable), for the account of the purchasers of such Book-Entry Certificates, which account is maintained with their respective Participants and Indirect Participants. Under the Rules and in accordance with DTC's normal procedures, transfers of ownership of Book-Entry Certificates will be executed through DTC and the accounts of the respective Participants at DTC will be debited and credited. Similarly, the Participants and Indirect Participants will make debits or credits, as the case may be, on their records on behalf of the selling and purchasing Certificate Owners.

The laws of some states require that certain persons take physical delivery of securities in definitive certificated form. Consequently, this may limit a Certificate Owner's ability to transfer its interests in a Book-Entry Certificate to such persons. Because DTC can only act on behalf of its Participants, the ability of an owner of a beneficial interest in a Book-Entry Certificate to pledge such interest to persons or entities that are not DTC Participants, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for such interest. In addition, issuance of the Book-Entry Certificates in book-entry form may reduce the liquidity of such Certificates in the secondary market because certain prospective investors may be unwilling to purchase Certificates for which they cannot obtain a physical certificate.

Because of time zone differences, credits of securities received in Clearstream or Euroclear as a result of a transaction with a Participant will be made during subsequent securities settlement processing and dated as of the next business day for Clearstream and Euroclear following the DTC settlement date. Such credits or any transactions in such securities settled during such processing will be reported to the relevant Euroclear or Clearstream Participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream Participant or Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the next business day for Clearstream and Euroclear following settlement in DTC.

Subject to compliance with the transfer restrictions applicable to the Book-Entry Certificates set forth above, transfers between Participants will occur in accordance with the Rules. Transfers between Clearstream

Participants and Euroclear Participants will occur in accordance with their respective rules and operating procedures.

DTC, which is a New York-chartered limited purpose trust company, performs services for its Participants, some of which (or their representatives) own DTC. In accordance with its normal procedures, DTC is expected to record the positions held by each DTC Participant in the Book-Entry Certificates, whether held for its own account or as a nominee for another person. In general, beneficial ownership of Book-Entry Certificates will be subject to the Rules, as in effect from time to time. Certificate Owners will not receive written confirmation from DTC of their purchase, but each Certificate Owner is expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant through which the Certificate Owner entered into the transaction.

Clearstream Banking société anonyme, 42 Avenue JF Kennedy, L-1855, Luxembourg (**"Clearstream"**), is a subsidiary of Clearstream International (**"Clearstream International"**), a Luxembourg limited liability company formed in January 2000 through the merger of Cedel International and Deutsche Boerse Clearing, a subsidiary of Deutsche Boerse AG. In July 2002, Deutsche Boerse AG acquired Cedel International and its 50% ownership of Clearstream International. Clearstream is registered as a bank in Luxembourg, and as such is subject to supervision by the Luxembourg Financial Sector Supervisory Commission, which supervises Luxembourg banks.

Clearstream holds securities for its customers (**"Clearstream Participants"**) and facilitates the clearance and settlement of securities transactions by electronic book-entry transfers between their accounts. Clearstream provides various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream also deals with domestic securities markets in several countries through established depositary and custodial relationships. Clearstream has established an electronic bridge with Euroclear Banks S.A./N.V. as the Euroclear Operator in Brussels to facilitate settlement of trades between systems.

Clearstream International's customers are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Clearstream International's United States customers are limited to securities brokers and dealers and banks. Currently, Clearstream International offers settlement and custody services to more than two thousand five hundred (2,500) customers world-wide, covering one hundred fifty thousand (150,000) domestic and internationally traded bonds and equities. Clearstream offers one of the most comprehensive international securities services available, settling more than two hundred fifty thousand (250,000) transactions daily. Indirect access to Clearstream is available to other institutions which clear through or maintain custodial relationship with an account holder of Clearstream.

The Euroclear System (**"Euroclear"**) was created in 1968 to hold securities for its participants (**"Euroclear Participants"**) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Transactions may be settled in a variety of currencies, including United States dollars. Euroclear includes various other securities, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described above. Euroclear is operated by Euroclear Bank S.A./N.V. (the **"Euroclear Operator"**). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with Euroclear Operator. Euroclear plc establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law (collectively, the **"Terms and Conditions"**). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the

Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Distributions on the Book-Entry Certificates will be made on each Distribution Date by the Securities Administrator to Cede & Co., as nominee of DTC. DTC will be responsible for crediting the amount of such distributions to the accounts of the applicable DTC Participants in accordance with DTC's normal procedures. Each DTC Participant will be responsible for disbursing such distributions to the Certificate Owners of the Book-Entry Certificates that it represents and to each Financial Intermediary for which it acts as agent. Each such Financial Intermediary will be responsible for disbursing funds to the Certificate Owners of the Book-Entry Certificates that it represents.

Under a book-entry format, Certificate Owners may experience some delay in their receipt of distributions, since such distributions will be forwarded by the Securities Administrator to Cede & Co. Distributions with respect to Certificates held through Clearstream or Euroclear will be credited to the cash accounts of Clearstream Participants or Euroclear Participants in accordance with the relevant system's rules and procedures, to the extent received by the Common Depository. Such distributions will be subject to tax reporting in accordance with relevant U.S. federal tax laws and regulations. See *"Certain Federal Income Tax Consequences — Taxation of Certain Foreign Investors"*, *"— Backup Withholding"* and *"— Reporting and Administrative Matters"*.

DTC has advised the Securities Administrator that unless and until Definitive Certificates are issued or modified, DTC will take any action the holders of the Book-Entry Certificates are permitted to take under the Pooling and Servicing Agreement only at the direction of one or more Financial Intermediaries to whose DTC accounts the Book-Entry Certificates are credited, to the extent that such actions are taken on behalf of Financial Intermediaries whose holdings include such Book-Entry Certificates. Clearstream or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a Certificateholder under the Pooling and Servicing Agreement on behalf of a Clearstream Participant or Euroclear Participant only in accordance with its relevant rules and procedures and subject to the ability of the Common Depository to effect such actions on its behalf through DTC. DTC may take actions, at the direction of the related Participants, with respect to some Book-Entry Certificates which conflict with actions taken with respect to other Book-Entry Certificates.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of Book-Entry Certificates among DTC Participants, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or modified at any time. The Securities Administrator will not have any responsibility for the performance by any system or their respective direct Participants or Indirect Participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Neither the Trustee nor the Securities Administrator will have any responsibility for any aspect of the records relating to or distributions made on account of beneficial ownership interests of the Book-Entry Certificates held by Cede & Co., as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. In the event of the insolvency of DTC, a Participant or an Indirect Participant of DTC in whose name Book-Entry Certificates are registered, the ability of the Certificate Owners of such Book-Entry Certificates to obtain timely distributions and, if the limits of applicable insurance coverage by the Securities Investor Protection Corporation are exceeded or if such coverage is otherwise unavailable, ultimate distributions, of amounts distributable with respect to such Book-Entry Certificates may be impaired.

Definitive Certificates. Definitive Certificates will be issued to Certificate Owners of the Book-Entry Certificates, or their nominees, rather than to DTC, only if (i) DTC or Freddie Mac advises the Securities Administrator in writing that DTC is no longer willing, qualified or able to discharge properly its responsibilities as nominee and depositary with respect to the Book-Entry Certificates and Freddie Mac is unable to locate a qualified successor, or (ii) in the case of a particular Book-Entry Certificate, if all of the systems through which it is cleared or settled are closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or are permanently closed for business or have announced an intention to permanently cease business and in any such situations Freddie Mac is unable to locate a single successor within 90 calendar days of such closure. Upon the occurrence of any of the events described in the immediately preceding sentence, the Securities Administrator will be required to notify all applicable Certificate Owners through DTC of the occurrence of such event and the availability of Definitive Certificates. Upon surrender by

DTC of the global security or securities representing such Book-Entry Certificates and instructions for re-registration, we will issue Definitive Certificates and thereafter the Securities Administrator will recognize the owners of such Definitive Certificates as Certificateholders under the Pooling and Servicing Agreement. Such Definitive Certificates may also bear additional legends that we deem advisable. None of the Certificates will ever be issuable in bearer form.

Any portion of an interest in such a Book-Entry Certificate transferred or exchanged will be executed, authenticated and delivered only in the required minimum denomination as set forth herein. A Definitive Certificate delivered in exchange for an interest in such a Book-Entry Certificate will bear the applicable legend set forth in the applicable exhibits to the Pooling and Servicing Agreement and will be subject to the transfer restrictions referred to in such applicable legends and any additional transfer restrictions as may from time to time be adopted by Freddie Mac and the Securities Administrator.

The holders of the Definitive Certificates will be able to transfer or exchange the Definitive Certificates, by surrendering them at the office of the Securities Administrator together with the form of transfer endorsed thereon duly completed and executed, and otherwise in accordance with the provisions of the Pooling and Servicing Agreement, and in exchange therefor one or more new Definitive Certificates will be issued having an aggregate Class Principal Amount equal to the remaining Class Principal Amount of the Definitive Certificates transferred or exchanged.

The Securities Administrator will keep in a note register the records of the ownership, exchange and transfer of Definitive Certificates. No service charge will be imposed for any registration of transfer or exchange of a Definitive Certificate, but the Securities Administrator or Trustee may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith.

Replacement

The Securities Administrator will replace Definitive Certificates that are mutilated, destroyed, stolen or lost at the holder's expense when the holder provides evidence of the destruction, theft or loss of the Certificates to the Securities Administrator as well as an indemnity, satisfactory to the Trustee and the Securities Administrator.

Certificates Acquired by Freddie Mac

We may, from time to time, repurchase or otherwise acquire (either for cash or in exchange for newly-issued Certificates) some or all of the Certificates at any price or prices, in the open market or otherwise. We may hold or sell any Certificates that we repurchase. Any Certificates we own will have an equal and proportionate benefit under the provisions of the Pooling and Servicing Agreement, without preference, priority or distinction as among those Certificates. However, in determining whether the required percentage of holders of the Certificates have given any required demand, authorization, notice, consent or waiver, Certificates we own, directly or indirectly, will be deemed not to be outstanding. As long as a Guarantor Nonpayment Event does not exist, the Voting Rights with respect to the Offered Certificates will be vested in the Guarantor.

Notice

Any notice, demand or other communication which is required or permitted to be given to a holder may be given, in the case of a holder of a Certificate maintained on DTC, by transmission through the DTC communication system. The communication will be deemed to have been sufficiently given or made upon mailing or transmission.

Distributions

Distributions on the Certificates will be made by the Securities Administrator, as paying agent, on the twenty-fifth (25th) day of each month (or, if such day is not a Business Day, then on the next succeeding Business Day), beginning in August 2016 (each, a **"Distribution Date"**), to the persons in whose names such Certificates are registered as of the Record Date. A **"Business Day"** means a day other than:

- A Saturday or Sunday.

- A day on which the offices of Freddie Mac are authorized or obligated by law or executive order to be closed.
- A day on which banking or savings and loan institutions are authorized or obligated by law or executive order to be closed in the State of New York, any state in which the Securities Administrator operates, or any city or state in which the Trust Agent or the Securities Administrator is located or is authorized or obligated by law or executive order to be closed.

Distributions on each Distribution Date will be made by wire transfer in immediately available funds to each Certificateholder's account at a bank or other depositary institution having appropriate wire transfer facilities. Cede & Co. will be the registered holder of the Certificates. However, the final distribution on any Certificate will be made in like manner only upon presentation and surrender of such Certificate at the offices of the Corporate Trust Services division of the Securities Administrator located at 111 Fillmore Avenue East, St. Paul, Minnesota 55107, Attention: Bondholder Services or as otherwise indicated on the relevant notice thereof. Distributions will be made to Certificate Owners through the facilities of DTC, as described above under *"— Form, Registration and Transfer of the Certificates"*.

Distributions on the Certificates are to be made by the Securities Administrator, on behalf of the Issuer, without deduction or withholding of taxes, except as otherwise required by law. The Certificates will not provide for any gross-up distributions in the case that distributions on the Certificates become subject to any deduction or withholding on account of taxes.

Reporting Periods

For any Distribution Date and for the purpose of making calculations with respect to the Certificates, the Due Period, the Curtailment Period, the Prepayment in Full Period, the Modification Period, the Loss Period and the Delinquency Determination Date on the Certificates are described under *"Summary of Terms"* and the examples provided below.

For example, on the Distribution Date in September 2016 and for purposes of making calculations with respect to the Certificates:

(1) The Due Period will be from August 16, 2016 through September 15, 2016,

(2) The Prepayment in Full Period will be from August 11, 2016 through September 10, 2016,

(3) The Curtailment Period will be from July 16, 2016 through August 15, 2016,

(4) The Modification Period will be from August 1, 2016 through August 31, 2016,

(5) The Loss Period will be from August 1, 2016 through August 31, 2016, and

(6) The Delinquency Determination Date will be no earlier than July 31, 2016.

In the event Freddie Mac's operational processes or timelines are revised for mortgage loans serviced in accordance with the Guide, Freddie Mac may revise the dates used to determine any Reporting Periods after providing 60 days' written notice to the Securities Administrator and Certificateholders of such revision.

Glossary of Terms

The following terms are given the meanings shown below to help describe the cash flows on the Certificates:

"Aggregate Expense Rate" means a per annum rate equal to the sum of the Servicing Fee Rate, Master Servicing Fee Rate, Trust Agent Fee Rate and Securities Administrator Fee Rate.

"Capitalization Amount" means for any Distribution Date and any Mortgage Loan modified during the related Modification Period, the positive amount, if any, equal to the unpaid principal balance of such Mortgage Loan upon completion of the modification (inclusive of any related Principal Forbearance Amount), plus any related Forgiveness Advances, minus the Stated Principal Balance of such Mortgage Loan as of the preceding Distribution Date.

"Capitalization Reimbursement Amount" means for any Distribution Date and any Pool, the aggregate Capitalization Amount.

"Carryover Redistribution Amount" means for any Distribution Date, the excess, if any, of the Maximum Redistribution Amount over the Redistribution Amount.

"Certificate Realized Loss" means with respect to any Class of Certificates (other than the Residual Certificates) and any Distribution Date, the amount by which the related Certificate Principal Amount is reduced as a result of any Realized Losses allocated to such Class.

"Certificate Writedown Amount" means the amount by which the aggregate Certificate Principal Amount of all the Certificates (other than the Residual Certificates) on any Distribution Date (after giving effect to distributions of principal and allocations of Realized Losses and Subsequent Recoveries on that Distribution Date) exceeds the aggregate Stated Principal Balance of the Mortgage Loans on such Distribution Date.

"Class Coupon" means with respect to each Distribution Date, the per annum rate equal to (i) for the Class 1-A Certificates, 3.00%; and (ii) for the Class 2-A Certificates, 3.50%.

The Class Coupon for the Class M-1, Class M-2 and Class B Certificates will be a per annum rate equal to the weighted average of the Pool 1 Net WAC and Pool 2 Net WAC for such Distribution Date, weighted based on the product of the aggregate Stated Principal Balance of each Pool as of the preceding Distribution Date multiplied by the Subordinate Percentage for the related Pool. The initial Class Coupon for the Class M-1, Class M-2 and Class B Certificates with respect to the first Distribution Date will be 3.882516343% per annum.

"Condemnation Proceeds" means all awards or settlements in respect of a taking of a mortgaged property (or part thereof) by power of eminent domain or condemnation.

"**Cumulative Loss Test**" means with respect to each Distribution Date, a test that will be satisfied if the cumulative Realized Losses for each Mortgage Pool, as a percentage of the aggregate Stated Principal Balance of such Mortgage Pool as of the Cut-Off Date does not exceed the percentage indicated below:

Distribution Date occurring in the period	Percentage
August 2016 to July 2017	0.10%
August 2017 to July 2018	0.20%
August 2018 to July 2019	0.30%
August 2019 to July 2020	0.40%
August 2020 to July 2021	0.50%
August 2021 to July 2022	0.60%
August 2022 to July 2023	0.70%
August 2023 to July 2024	0.80%
August 2024 to July 2025	0.90%
August 2025 and thereafter	1.00%

"Cut-Off Date Balance" means with respect to any Mortgage Loan, the unpaid principal balance reported by the Underlying Servicer to the Master Servicer as of June 15, 2016 minus, to the extent not already reflected in such unpaid principal balance, the principal portion of any monthly payment due on or before the Cut-Off Date. The principal portion of monthly payments due after the Cut-Off Date, to the extent made by the mortgagor prior to — and reflected in the unpaid principal balance reported to the Master Servicer as of — June 15, 2016, will be reflected in the Cut-Off Date Balance and such principal payments will be retained by the Seller.

"Deficiency Amount" means with respect to any Class of Guaranteed Certificates and any Distribution Date, the sum of:

(a) the Principal Deficiency Amount, and

(b) the Interest Deficiency Amount.

"Delinquency Test" means with respect to each Distribution Date, a test that will be satisfied if, for each Mortgage Pool:

(a) the sum of the Distressed Principal Balances for such Mortgage Pool for the current Distribution Date and each of the preceding five (5) Distribution Dates, divided by six

is less than

(b) the product of the Delinquency Test Threshold and the amount by which (i) the product of (x) the Subordinate Percentage for such Mortgage Pool and (y) the aggregate Stated Principal Balance for such Mortgage Pool as of the preceding Distribution Date, exceeds (ii) the aggregate Realized Losses for the current Distribution Date, on the Mortgage Loans in such Mortgage Pool.

"Delinquency Test Threshold" means an amount calculated for each Distribution Date, which is not less than 10% or more than 50%, equal to one twelfth of 10%, multiplied by the number of full months between the Closing Date and such Distribution Date.

"Distressed Principal Balance" means for any Distribution Date and any Mortgage Pool, the sum of, without duplication, (a) the aggregate Stated Principal Balance with respect to such Mortgage Pool of (i) any REO Property, (ii) any Mortgage Loan in foreclosure or bankruptcy and (iii) Mortgage Loans delinquent 60 days or more as of the Delinquency Determination Date and (b) the aggregate Stated Principal Balance of Mortgage Loans in such Mortgage Pool modified in the Modification Period or any of the preceding 11 Modification Periods.

"Expenses Cap" means the aggregate annual cap on Expenses applicable to the Securities Administrator, the Seller, the Trustee, the Master Servicer, the Master Document Custodian, the Trust Agent and the Guarantor, equal to an aggregate maximum reimbursement of $300,000 in any 12-month period; provided that, (a) in no event will the aggregate amount reimbursed to the Trust Agent exceed $25,000 in any 12-month period, (b) in no event will the aggregate amount reimbursed to the Securities Administrator exceed $50,000 in any 12-month period, (c) in no event will the aggregate amount reimbursed to the Trust Agent to cover Initial Reviewer and Additional Reviewer expenses exceed $10,000 in any 3-month period, and (d) in no event will the aggregate amount reimbursed to the Seller, the Master Servicer, the Trustee, the Master Document Custodian and the Guarantor exceed $250,000 in any 12-month period; *provided*, *however*, that Expenses incurred by the Trust Agent or the Securities Administrator related to or resulting from a Master Servicer Event of Default will not be subject to either of their respective cap amounts listed in (a) and (b) above; and provided further, that neither the Master Servicer nor any affiliate of the Master Servicer may be reimbursed for any Expense related to or arising from a Master Servicer Event of Default. Any Expenses in excess of the aggregate, respective limits herein (**"Excess Expenses"**) will be reimbursable to the Master Servicer, the Securities Administrator, the Seller, the Trustee, the Master Document Custodian, the Trust Agent and the Guarantor to the extent of funds available. See *"— Interest"* and *"— Distributions of Interest"*.

"Forgiveness Advance" means with respect to any Distribution Date and any Mortgage Loan for which a forgiveness modification occurs in the related Modification Period, the amount forgiven.

In the event that a Mortgage Loan with a prior Forgiveness Advance becomes a Liquidated Mortgage Loan, the Master Servicer will be reimbursed for any prior Forgiveness Advances from the Collection Account. The Master Servicer will not be reimbursed for any prior Forgiveness Advances if the mortgagor fully repays the Mortgage Loan, as modified.

"Guarantor Interest Payments" means for any Distribution Date, an amount equal to the aggregate Interest Deficiency Amount for such Distribution Date. The Guarantor is required to remit such amount to the Trust to be distributed as interest to any Class of Guaranteed Certificates up to their related Interest Deficiency Amount.

"Guarantor Nonpayment Event" exists with respect to any date of determination if, as of such date of determination, the Guarantor has failed to make any Guarantor Interest Payment or Guarantor Principal Payment required to be made on any prior Distribution Date.

"Guarantor Principal Payments" means for any Distribution Date, an amount equal to the aggregate Principal Deficiency Amount for such Distribution Date. The Guarantor is required to remit such amount to the Trust to be distributed as principal to any Class of Guaranteed Certificates up to their related Principal Deficiency Amount.

"Insurance Proceeds" means all proceeds of any insurance policies with respect to the Mortgage Loans, to the extent such proceeds are not to be applied to the restoration of the related mortgaged property or released to the related mortgagor in accordance with the Servicing Requirements and excluding insured expenses.

"Interest Deficiency Amount" means for any Class of Guaranteed Certificates and any Distribution Date, the amount by which the Interest Distribution Amount for such Class exceeds interest actually paid to such Class pursuant to the priority of distributions described in *"— Interest"*.

"Interest Distribution Amount" means for any Class of Certificates (other than the Residual Certificates), on any Distribution Date, an amount equal to the interest accrued during the related Accrual Period on the related Class Principal Amount as of the preceding Distribution Date at the applicable Class Coupon, together with any unpaid Interest Distribution Amounts for such Class from the preceding Distribution Date.

"Interest Remittance Amount" means with respect to any Distribution Date and any Mortgage Pool, without duplication:

(a) the sum of (i) with respect to any Mortgage Loan that is not a Stop Advance Loan, one month's interest, calculated at the Trust Mortgage Rate, on its Stated Principal Balance as of the preceding Distribution Date, including amounts paid by the Master Servicer as Compensating Interest on such Mortgage Loan; (ii) with respect to any Mortgage Loan that is no longer a Stop Advance Loan (as a result of mortgagor payments, modification, repurchase or otherwise), interest not previously remitted to the Trust that would have been due to the Trust on any prior Distribution Date had the Mortgage Loan not been a Stop Advance Loan; (iii) with respect to any Mortgage Loan that is a Stop Advance Loan, interest, calculated at the Trust Mortgage Rate, on its Stated Principal Balance as of the preceding Distribution Date, for any month in which interest has been received from the mortgagor but not previously remitted to the Trust; (iv) interest included in the determination of the amount in section (a)(ii) of the definition of Realized Loss for any Liquidated Mortgage Loan; (v) any Pool Redistribution Amount; and (vi) the IRA Shortfall Amount as of the preceding Distribution Date;

Minus, without duplication:

(b) the sum of (i) the Master Servicing Fee, (ii) the Guarantee Fee, (iii) the Trust Agent Fee, (iv) the Securities Administrator Fee, (v) subject to the Expenses Cap, an amount equal to the sum of all related fees (other than the Servicing Fee, the Master Servicing Fee and amounts required to be paid by the Master Servicer from the Master Servicing Fee, the Guarantee Fee, the Trust Agent Fee and the Securities Administrator Fee), charges, indemnity amounts and other costs, including, without limitation, costs incurred by the Trustee or Master Servicer in challenging any eminent domain proceedings (all such amounts in this clause (v), **"Expenses"**) payable or reimbursable to the Master Servicer, the Securities Administrator, the Seller, the Trustee, the Master Document Custodian and the Trust Agent from the Trust under the Pooling and Servicing Agreement, each of items (i) through (v) above allocated pro rata based on the aggregate Stated Principal Balance of the Mortgage Loans in such Pool as of the preceding Distribution Date; and (vi) the PRA Shortfall Amount (as defined below);

Plus

(c) an amount, not less than zero, equal to (b) minus (a) above (the **"Master Servicer Shortfall Amount"**).

"IRA Shortfall Amount" means with respect to any Distribution Date and any Mortgage Pool, an amount equal to the PRA Shortfall Amount for such Mortgage Pool minus the Master Servicer Shortfall Amount for such Mortgage Pool.

“Liquidated Mortgage Loan” means a defaulted Mortgage Loan that is liquidated as a result of a foreclosure sale, REO Property sale, short sale, or otherwise, or a Mortgage Loan that is removed from the Trust by a governmental authority exercising the power of eminent domain, that is processed by the Master Servicer and is reflected in its system of record as a liquidation during the related Loss Period.

“Liquidation Proceeds” means with respect to any Liquidated Mortgage Loan, (i) all cash amounts (net of selling expenses), including Insurance Proceeds, received in connection with the liquidation of such defaulted Mortgage Loan, whether through a foreclosure sale, REO Property sale, short sale or otherwise or amounts received in connection with any condemnation or partial release of a mortgaged property, (ii) any amounts received by the Trust from a governmental authority in connection with the acquisition of a Mortgage Loan by eminent domain (to the extent such amounts, with respect to a Mortgage Loan, are less than the outstanding principal balance of the related Mortgage Loan, plus accrued interest) and (iii) any other proceeds (net of selling expenses) received in connection with the disposition of an REO Property.

“Maximum Redistribution Amount” means for any Distribution Date, an amount, not less than zero, equal to (a) the sum of (i) the aggregate Modification Rate Loss, (ii) the Carryover Redistribution Amount as of the preceding Distribution Date, and (iii) subject to the Expenses Cap, Expenses, minus (b) interest accrued on the Class B Certificates during the related Accrual Period.

“Minimum Credit Enhancement Test” means with respect to each Distribution Date, a test that will be satisfied if:

(a) for each Mortgage Pool, the Subordinate Percentage is greater than or equal to 6.00%, and;

(b) the aggregate Class Principal Amount of the Subordinate Certificates exceeds 0.75% of the aggregate Stated Principal Balance of the Mortgage Loans as of the Cut-Off Date.

“Modification Rate Loss” means for any Distribution Date and any modified Mortgage Loan, the product of (i) the Stated Principal Balance as of the preceding Distribution Date, (ii) the Trust Mortgage Rate as of the Cut-Off Date minus the Trust Mortgage Rate as of the preceding Distribution Date, and (iii) one-twelfth.

“Net Liquidation Proceeds” means with respect to any Liquidated Mortgage Loan, the related Liquidation Proceeds net of any related Advances and any Forgiveness Advances.

“Net Mortgage Rate” means with respect to each Mortgage Loan, the related mortgage rate as of the Cut-Off Date reduced by the Aggregate Expense Rate.

“Pool 1 Net WAC” means for any Distribution Date, a per annum rate, expressed as a percentage, equal to the weighted average of the Net Mortgage Rates of the Pool 1 Mortgage Loans (without giving effect to any interest rate modifications occurring after the Cut-Off Date), weighted on the basis of their Stated Principal Balances as of the preceding Distribution Date.

“Pool 1 Guarantee Fee Rate” means for any Distribution Date, a per annum rate equal to the excess, if any, of the Pool 1 Net WAC as of such Distribution Date over the Class Coupon of the Class 1-A Certificates.

“Pool 2 Net WAC” means for any Distribution Date, a per annum rate, expressed as a percentage, equal to the weighted average of the Net Mortgage Rates of the Pool 2 Mortgage Loans (without giving effect to any interest rate modifications occurring after the Cut-Off Date), weighted on the basis of their Stated Principal Balances as of the preceding Distribution Date.

“Pool 2 Guarantee Fee Rate” means for any Distribution Date, a per annum rate equal to the excess, if any, of the Pool 2 Net WAC as of such Distribution Date over the Class Coupon of the Class 2-A Certificates.

“Pool Redistribution Amount” means for any Distribution Date and any Pool, the Redistribution Amount multiplied by a fraction, the numerator of which is the related Preliminary Subordinate Scheduled PRA and the denominator of which is the aggregate Preliminary Subordinate Scheduled PRA.

“Preliminary PRA” means for any Distribution Date and any Pool, the Principal Remittance Amount calculated without giving effect to any Pool Redistribution Amount.

“Preliminary Subordinate Scheduled PRA” means for any Distribution Date and any Pool, the product of (a) the related Subordinate Percentage and (b) the lesser of (i) the related Preliminary PRA and (ii) the related scheduled payments of principal included in the related Preliminary PRA.

"Principal Deficiency Amount" means for any Guaranteed Certificate and any Distribution Date, the amount of any Realized Losses or Certificate Writedown Amounts, net of any Subsequent Recoveries, allocated to such Guaranteed Certificate on such Distribution Date.

"Principal Forbearance Amount" means for any Distribution Date the total amount of principal deferred without accruing interest in connection with a servicing modification during the related Modification Period.

"Principal Remittance Amount" means with respect to any Distribution Date and any Pool, without duplication:

(a) the sum of (i) all scheduled payments of principal due during the related Due Period or any prior Due Period, to the extent received or advanced; (ii) scheduled payments of principal due subsequent to the Due Period, to the extent received; (iii) Net Liquidation Proceeds less interest included under clause (a)(iv) of the definition of Interest Remittance Amount; (iv) Subsequent Recoveries; (v) all partial prepayments of principal and full prepayments of principal reported to the Master Servicer during the related Curtailment Period and the related Prepayment in Full Period, respectively; (vi) the aggregate Stated Principal Balance as of the preceding Distribution Date of Mortgage Loans repurchased by the Seller; (vii) Forgiveness Advances made by the Master Servicer; and (viii) on the Distribution Date on which the Trust is to be terminated pursuant to either a Mandatory Termination or an Optional Termination, the sum of (1) the aggregate Stated Principal Balance of the Mortgage Loans (other than with respect to the REO Properties) and (2) the market value of any related REO Property;

Minus

(b) the sum of (i) subsequent losses; (ii) any Capitalization Reimbursement Amount; (iii) any Pool Redistribution Amount; and (iv) any PRA Shortfall Amount as of the preceding Distribution Date;

Plus

(c) an amount, not less than zero, equal to the amount in clause (b) minus the amount in clause (a) above (the **"PRA Shortfall Amount"**).

"Realized Loss" means for any Distribution Date, an amount (without duplication) equal to the sum of:

(a) With respect to each Mortgage Loan that became a Liquidated Mortgage Loan during the related Loss Period, an amount (not less than zero), equal to (i) the Stated Principal Balance as of the preceding Distribution Date, plus (ii) interest calculated at the Trust Mortgage Rate, on its Stated Principal Balance as of the preceding Distribution Date, for any month in which interest has not been previously remitted to the Trust, up to and including the last day of the Accrual Period, minus (iii) the Net Liquidation Proceeds,

(b) the amount by which, in the event of bankruptcy of a mortgagor, a bankruptcy court reduces the unpaid principal balance of any Mortgage Loan, as reported to the Master Servicer and recorded in its system of record,

(c) the Principal Forbearance Amount for such Distribution Date,

(d) the Redistribution Amount for such Distribution Date, and

(e) subsequent losses on any Mortgage Loan that became a Liquidated Mortgage Loan in a prior Loss Period (**"Subsequent Loss"**).

"Redistribution Amount" means for any Distribution Date, the lesser of (i) the Maximum Redistribution Amount, and (ii) the Redistribution Cap.

"Redistribution Cap" means for any Distribution Date, the lesser of (i) the Class Principal Amount of the Class B Certificates as of the preceding Distribution Date and (ii) the aggregate Preliminary Subordinate Scheduled PRA.

“Repurchase Price” means for any Mortgage Loan that is not a Liquidated Mortgage Loan and that is to be repurchased by the Seller on any Distribution Date, the sum of (a) the Stated Principal Balance of such Mortgage Loan as of the date of repurchase, (b) interest on such Mortgage Loan, calculated at the Trust Mortgage Rate, on the Stated Principal Balance for each Accrual Period from the due date as to which interest was last paid or advanced to the Trust up to and including the last day of the related Accrual Period and (c) any Realized Losses, net of any Subsequent Recoveries, attributed to such Mortgage Loan on any Distribution Date.

“Repurchase Indemnification Amount” means for any Liquidated Mortgage Loan for which an indemnification payment is to be made by the Seller on any Distribution Date, the aggregate amount of any Realized Losses, net of any Subsequent Recoveries, attributed to such Liquidated Mortgage Loan on any Distribution Date.

“Senior Percentage” means (i) for any Distribution Date and Pool 1, the percentage equivalent of a fraction (not to exceed 100%), the numerator of which is the Class Principal Amount of the Class 1-A Certificates and the denominator of which is the aggregate Stated Principal Balance of the Pool 1 Mortgage Loans, each as of the preceding Distribution Date, and (ii) for any Distribution Date and Pool 2, the percentage equivalent of a fraction (not to exceed 100%), the numerator of which is the Class Principal Amount of the Class 2-A Certificates and the denominator of which is the aggregate Stated Principal Balance of the Pool 2 Mortgage Loans, each as of the preceding Distribution Date.

The initial Senior Percentage for each of Pool 1 and Pool 2 will be approximately 94.00%.

“Senior PRA” means for any Distribution Date and any Pool, the product of (i) the related Senior Percentage and (ii) the related Preliminary PRA.

“Senior Principal Distribution Amount” means for any Distribution Date and any Pool, the sum of (a) the related Senior PRA, (b) to the extent the Minimum Credit Enhancement Test is not satisfied, the related Subordinate Scheduled PRA, and (c) to the extent that either the Minimum Credit Enhancement Test or the Step-Down Test is not satisfied, the related Subordinate Unscheduled PRA.

Notwithstanding the above, for any Pool and any Distribution Date on which the Optional Termination or the Mandatory Termination occurs, the Senior Principal Distribution Amount for each Pool will be equal to the Principal Remittance Amount for such Pool.

“Stated Principal Balance” means for the Cut-Off Date, any Distribution Date and any Mortgage Loan or related REO Property, the principal balance to which the Trust is then entitled, the amount, not less than zero, equal to:

(a) the Cut-Off Date Balance of such Mortgage Loan; plus

(b) the total Capitalization Amount for such Mortgage Loan for any Distribution Date; minus

(c) all principal payments for such Mortgage Loan (including *inter alia* the principal portion of monthly payments received or advanced by the Master Servicer, partial or full prepayment, Net Liquidation Proceeds, Forgiveness Advances, and Insurance Proceeds) that have been applied by the Master Servicer and included in the Principal Remittance Amount on any Distribution Date; minus

(d) any Realized Losses for such Mortgage Loan allocated to the Certificates on any Distribution Date.

Unless otherwise noted, references to the aggregate Stated Principal Balance of Mortgage Loans will also include the aggregate Stated Principal Balance of the REO Properties.

“Step-Down Test” means with respect to each Distribution Date, a test that will be satisfied if the Cumulative Loss Test and Delinquency Test are satisfied.

“Stop Advance Loan” means any REO Property or any Mortgage Loan that was at least 180 days delinquent as of the Delinquency Determination Date with respect to any Distribution Date.

"Subordinate Percentage" means for any Distribution Date and any Pool, the difference between 100% and the related Senior Percentage on that Distribution Date. The initial Subordinate Percentage for Pool 1 will be approximately 6.00% and the initial Subordinate Percentage for Pool 2 will be approximately 6.00%.

"Subordinate Scheduled PRA" means for any Distribution Date and any Pool, the Preliminary Subordinate Scheduled PRA minus the related Pool Redistribution Amount.

"Subordinate Unscheduled PRA" means for any Distribution Date and any Pool, the related Preliminary PRA minus the sum of (a) the related Senior PRA and (b) the related Preliminary Subordinate Scheduled PRA**.**

"Subsequent Recoveries" are amounts recovered (whether from the mortgagor, insurance providers, the Seller or otherwise) or adjustments made during the related Loss Period with respect to any Mortgage Loan for which a Realized Loss was allocated on a prior Distribution Date, such that the cumulative Realized Loss for such Mortgage Loan is reduced.

"Termination Price" means the sum of: (i) the aggregate Stated Principal Balance of the Mortgage Loans (other than with respect to the REO Properties), (ii) the market value of any REO Properties in the Trust and (iii) any remaining unreimbursed Advances, unpaid Initial Reviewer and/or Additional Reviewer fees and any other amounts payable to the Securities Administrator, the Master Servicer, the Guarantor, the Master Document Custodian, the Seller or the Trust Agent.

"Trust Mortgage Rate" means the related mortgage rate (after giving effect to any interest rate modifications occurring after the Cut-Off Date), reduced by the Servicing Fee Rate with respect to any Mortgage Loan.

"Voting Rights" means the portion of the voting rights of all the Certificates that is allocated to any Certificate for purposes of the voting provisions of the Pooling and Servicing Agreement. At all times during the term of the Pooling and Servicing Agreement, all Voting Rights will be allocated to the Class 1-A, Class 2-A, Class M-1, Class M-2 and Class B Certificates in proportion to their respective Certificate Principal Amounts. No Certificate with a Class Principal Amount equal to zero will have any Voting Rights. The Class R and Class RS Certificates will not have any Voting Rights. As long as a Guarantor Nonpayment Event does not exist, the Voting Rights of the Guaranteed Certificates will be vested in the Guarantor.

Interest

The Class Coupon and Accrual Period for each Class of Certificates for each Distribution Date is as described in the *"Summary of Terms — Interest"*.

On each Distribution Date, each Class of Certificates, will be entitled to receive interest accrued during the related Accrual Period at the applicable Class Coupon on the related Class Principal Amount as of the preceding Distribution Date, together with any unpaid Interest Distribution Amount for such Class from the preceding Distribution Date.

Interest will be calculated and payable on the basis of a 30-day Accrual Period and a 360-day year.

The determination by the Securities Administrator of the Class Coupons on the applicable Classes of Certificates and the determination of any distribution on any Certificate (or any interim calculation in the determination of any such interest rate or distribution) will, absent manifest error, be final and binding on all parties.

See *Prepayment and Yield Considerations.*

Distributions of Interest

On each Distribution Date, the Interest Remittance Amount for each Pool will be distributed in the following order of priority:

First, concurrently,

- from the Interest Remittance Amount for Pool 1, to the Class 1-A Certificates, in an amount equal to such Class's Interest Distribution Amount; and
- from the Interest Remittance Amount for Pool 2, to the Class 2-A Certificates, in an amount equal to such Class's Interest Distribution Amount;

Second, concurrently,

- from the Interest Remittance Amount for Pool 1, to the Class 2-A Certificates, in an amount equal to such Class's Interest Distribution Amount in excess of the amount distributed to such Class in priority *First* above from the Interest Remittance Amount from Pool 2 for such Distribution Date; and
- from the Interest Remittance Amount for Pool 2, to the Class 1-A Certificates, in an amount equal to such Class's Interest Distribution Amount in excess of the amount distributed to such Class in priority *First* above from the Interest Remittance Amount from Pool 1 for such Distribution Date;

Third, to the Guarantor, to repay any unreimbursed Guarantor Interest Payments for any prior Distribution Date;

Fourth, to the Class M-1 Certificates, an amount up to its applicable Interest Distribution Amount for such Distribution Date;

Fifth, to the Class M-2 Certificates, an amount up to its applicable Interest Distribution Amount for such Distribution Date;

Sixth, to the Class B Certificates, an amount up to its applicable Interest Distribution Amount for such Distribution Date;

Seventh, to the Master Servicer, the Securities Administrator, the Seller, the Trustee, the Master Document Custodian and the Trust Agent, in proportion to their respective unpaid Excess Expenses as of the preceding Distribution Date, an amount up to their respective unpaid Excess Expenses;

Eighth, to the Guarantor to repay any unreimbursed Guarantor Principal Payments for any prior Distribution Date;

Ninth, to the Class M-1, Class M-2 and Class B Certificates, sequentially, in that order, to reimburse previously allocated Certificate Realized Losses and cumulative Certificate Writedown Amounts; and

Tenth, to the Residual Certificates.

With respect to any Distribution Date, Freddie Mac, as Guarantor, is required to remit to the Trust the Guarantor Interest Payment, if any, for distributions to each Class of Guaranteed Certificates up to the Interest Deficiency Amount for such Class.

As described under "— *Modifications and Expenses*", certain scheduled principal payments on the Mortgage Loans may be included in the Interest Remittance Amount and distributed in accordance with the priorities above, thereby reducing or eliminating interest shortfalls to the Certificates (other than the Class B Certificates) resulting from interest rate modifications or reimbursement of Expenses.

Principal

Allocation of Principal Remittance Amount

On each Distribution Date, the Principal Remittance Amount in respect of the Mortgage Loans for each Pool will be distributed in the following order of priority:

First, to the Guarantor, as follows:

1. Concurrently,
   - from the Principal Remittance Amount for Pool 1, the amount of any Subsequent Recoveries for Pool 1, until any Guarantor Principal Payments made with respect to the Class 1-A Certificates are fully reimbursed; and
   - from the Principal Remittance Amount for Pool 2, the amount of any Subsequent Recoveries for Pool 2, until any Guarantor Principal Payments made with respect to the Class 2-A Certificates are fully reimbursed;
2. From the Principal Remittance Amount for Pool 1 or Pool 2, the amount of any remaining Subsequent Recoveries for Pool 1 or Pool 2, respectively, until any Guarantor Principal Payments are fully reimbursed;

Second, concurrently,

- from the Principal Remittance Amount for Pool 1, to the Class 2-A Certificates, the Pool 2 Undercollateralized Amount, until the Class Principal Amount of such Class has been reduced to zero; and
- from the Principal Remittance Amount for Pool 2, to the Class 1-A Certificates, the Pool 1 Undercollateralized Amount, until the Class Principal Amount of such Class has been reduced to zero;

Third, concurrently,

- from the Principal Remittance Amount for Pool 1, to the Class 1-A Certificates, the Senior Principal Distribution Amount for Pool 1, until the Class Principal Amount of such Class has been reduced to zero; and
- from the Principal Remittance Amount for Pool 2, to the Class 2-A Certificates, the Senior Principal Distribution Amount for Pool 2, until the Class Principal Amount of such Class has been reduced to zero;

Fourth, concurrently,

- from the Principal Remittance Amount for Pool 1, to the Class 2-A Certificates, the remaining Senior Principal Distribution Amount for Pool 1 until the Class Principal Amount of such Class has been reduced to zero; and
- from the Principal Remittance Amount for Pool 2, to the Class 1-A Certificates, the remaining Senior Principal Distribution Amount for Pool 2 until the Class Principal Amount of such Class has been reduced to zero;

Fifth, to the Guarantor, to repay any unreimbursed Guarantor Principal Payments for any prior Distribution Date;

Sixth, to the Class M-1 Certificates, until the Class Principal Amount of such Class has been reduced to zero;

Seventh, to the Class M-2 Certificates, until the Class Principal Amount of such Class has been reduced to zero; and

Eighth, to the Class B Certificates, until the Class Principal Amount of such Class has been reduced to zero.

Reductions in Class Principal Amounts Due to Allocation of Realized Losses

Subsequent to the distribution of the Principal Remittance Amount in the order of priority set forth above under *"— Allocation of Principal Remittance Amount"*, on each Distribution Date, Realized Losses will be allocated as follows:

First, to reduce the Class Principal Amount of the Class B Certificates until such amount has been reduced to zero;

Second, to reduce the Class Principal Amount of the Class M-2 Certificates until such amount has been reduced to zero;

Third, to reduce the Class Principal Amount of the Class M-1 Certificates until such amount has been reduced to zero;

Fourth, to reduce the Class Principal Amount of the Class 1-A and Class 2-A Certificates, in proportion to the Realized Losses of Pool 1 and Pool 2 for such Distribution Date, respectively, in each case until the Class Principal Amount for such Class has been reduced to zero; and

Fifth, to reduce the Class Principal Amount of the Class 1-A or Class 2-A Certificates, as the case may be, until such Class Principal Amount has been reduced to zero.

Realized Losses allocated to the Class 1-A or Class 2-A Certificates will result in Principal Deficiency Amounts that will require Guarantor Principal Payments to be made.

Increases in Class Principal Amounts Due to Allocation of Subsequent Recoveries

Subsequent to the distribution of the Principal Remittance Amount and the allocation of Realized Losses in the order of priority set forth above, on each Distribution Date, any Subsequent Recoveries will be allocated as follows:

First, with respect to any Subsequent Recoveries on the Mortgage Loans in Pool 1 or Pool 2, as applicable, to the Class 1-A and Class 2-A Certificates, as applicable, until the cumulative Subsequent Recoveries allocated are equal to the cumulative Certificate Writedown Amount and Certificate Realized Losses, net of cumulative Guarantor Principal Payments, allocated to such Class of Certificates on or prior to such Distribution Date;

Second, to the Class 1-A and Class 2-A Certificates, as applicable, until the cumulative Subsequent Recoveries allocated is equal to the cumulative Certificate Writedown Amount and Certificate Realized Losses, net of cumulative Guarantor Principal Payments, allocated to such Class of Certificates on or prior to such Distribution Date;

Third, to the Guarantor until Guarantor Principal Payments made on or prior to the Distribution Date are fully reimbursed; and

Fourth, to the Class M-1, Class M-2 and Class B Certificates, sequentially, in that order, until the cumulative Subsequent Recoveries allocated are equal to the cumulative Certificate Writedown Amount and Certificate Realized Losses, allocated to such Class of Certificates on or prior to such Distribution Date.

In the event any Subsequent Recoveries are allocated to any Class of Certificates, the related Class Principal Amount will be increased by the amount of such allocated Subsequent Recoveries.

Reductions in Class Principal Amounts Due to Allocation of Certificate Writedown Amounts

Subsequent to the distribution of the Principal Remittance Amount, the allocation of Realized Losses and the allocation of any Subsequent Recoveries in the order of priorities set forth above, on each Distribution Date, Certificate Writedown Amounts will be allocated as follows:

First, to reduce the Class Principal Amount of the Class B Certificates until such amount has been reduced to zero;

Second, to reduce the Class Principal Amount of the Class M-2 Certificates until such amount has been reduced to zero;

Third, to reduce the Class Principal Amount of the Class M-1 Certificates until such amount has been reduced to zero;

Fourth, to reduce the Class Principal Amount of the Class 1-A and Class 2-A Certificates, in proportion to the Realized Losses of Pool 1 and Pool 2 for such Distribution Date, respectively, in each case until their respective Class Principal Amounts have been reduced to zero; and

Fifth, to reduce the Class Principal Amount of the Class 1-A or Class 2-A Certificates, as the case may be, until such Class Principal Amount has been reduced to zero.

Certificate Writedown Amounts allocated to the Class 1-A or Class 2-A Certificates will result in Principal Deficiency Amounts that will require Guarantor Principal Payments to be made.

Principal Distribution on the Maturity Date

On the Maturity Date, the Trust will pay 100% of the outstanding Class Principal Amount as of such date for each of the Class 1-A and Class 2-A Certificates, either through allocation of the Principal Remittance Amount or a Guarantor Principal Payment.

Advances

The Master Servicer is required to make advances of delinquent principal and interest (**"P&I Advances"**) on each Master Servicer Remittance Date with respect to the applicable Mortgage Loans that are not Stop Advance Loans. The P&I Advances required to be made with respect to any delinquent Mortgage Loan will be equal to the aggregate of the payments of principal and interest at the Trust Mortgage Rate on the Mortgage Loans that were due on the related due date and not received by the Master Servicer on or before the Master Servicer Remittance Date.

Each Underlying Servicer is required to advance amounts necessary to preserve the Trust's interests in the mortgaged properties or the mortgages, such as property taxes or insurance premiums that the applicable mortgagor failed to pay (**"Servicing Advances"**). To the extent that an Underlying Servicer fails to make the Servicing Advances or the Mortgage Loan becomes an REO Property, the Master Servicer will be required to make such Servicing Advances. The Servicing Advances, together with P&I Advances, are referred to as **"Advances"**. The Master Servicer will be entitled to reimbursement for Advances made to reimburse the Underlying Servicers or Advances made directly by the Master Servicer.

An Advance will be reimbursable to the Master Servicer from (i) subsequent mortgagor payments or Liquidation Proceeds on the related Mortgage Loan, (ii) principal payments on other Mortgage Loans or (iii) the Termination Price.

In addition, if a forgiveness modification occurs on a Mortgage Loan in any Modification Period, the Master Servicer will be required to remit to the Trust the Forgiveness Advance on the related Distribution Date. In the event that a Mortgage Loan or REO Property with a prior Forgiveness Advance becomes a Liquidated Mortgage Loan, the Master Servicer will be reimbursed for any prior Forgiveness Advances. The Master Servicer will not be reimbursed for any prior Forgiveness Advances if the related mortgagor fully repays the Mortgage Loan, as modified.

Modifications and Expenses

Mortgagors who become eligible for modification programs available under the Guide, as described under *"General Mortgage Loan Purchase and Servicing — Servicing Standards — Default Management,"* may receive, in connection with such modifications, favorable adjustments to the terms of their Mortgage Loans. Such adjustments may include one or more of the following: a reduction in the rate at which interest accrues, extension of the final maturity date with an associated reamortization of the payments due over the life of the Mortgage Loan, and a forbearance of part of the unpaid principal balance on which no interest will accrue.

Principal Forbearance Amounts are included as Realized Losses on the Distribution Date immediately following the month in which the modification is completed, with such Realized Losses allocated to Certificates, as described under *"General Mortgage Loan Purchase and Servicing — Servicing Standards — Default Management."*

Because the respective Class Coupons of the Subordinate Certificates are calculated without regard to modifications completed after the Cut-Off Date, modifications in which the Mortgagor's interest rate is reduced will result in a shortfall between the interest due on such Certificates and the interest accrued on the Mortgage Loans. Subject to the constraints described below, interest shortfalls will be funded by scheduled principal payments on the Mortgage Loans. Any such scheduled principal payments on the Mortgage Loans that are remitted to Certificateholders in the form of interest will result in an equal amount of Realized Losses, with such Realized Losses allocated to the Class B Certificates as described under *"— Principal — Reductions in Class Principal Amounts Due to Allocation of Realized Losses."*

With respect to any Distribution Date, certain scheduled principal payments received or advanced on the Mortgage Loans will be available to fund any interest shortfalls resulting from interest rate modifications and reimbursement of Expenses, subject to all of the following limitations:

- Only the Subordinate Percentage of scheduled principal payments received or advanced by the Master Servicer with respect to such Distribution Date will be made available to fund interest shortfalls arising from interest rate modifications and reimbursement of Expenses.
- Principal payments on the Mortgage Loans will be distributed as interest to the Certificates on such Distribution Date only to the extent that shortfalls arising from interest rate modifications or reimbursement of Expenses, together with any Carryover Redistribution Amount, exceeds the interest accrued on the Class B Certificates for such Distribution Date.
- Principal payments on the Mortgage Loans distributed as interest to the Certificates on such Distribution Date will be limited to an amount equal to the Class Principal Amount of the Class B Certificates as of the preceding Distribution Date.

Freddie Mac Guarantee of Offered Certificates

Freddie Mac, as Guarantor, guarantees the following:

- To each Class of Offered Certificates the timely distributions of interest at its applicable Class Coupon.
- To each Class of Offered Certificates the ultimate distribution of principal, which means the distribution of its applicable Class Principal Amount by the Maturity Date.

Freddie Mac is required to make any guarantee payments to the Securities Administrator for distribution to the holders of the Guaranteed Certificates.

Pursuant to its guarantee of timely distributions of interest and ultimate distribution of principal, as applicable, on each Distribution Date, Freddie Mac is required to pay or cause to be paid to the Offered Certificates:

(i) the Guarantor Interest Payments,

(ii) the Guarantor Principal Payments, and

(iii) on the Maturity Date, the remaining Class Principal Amount of such Offered Certificates (after giving effect to all amounts distributable and allocable to principal on such Maturity Date).

THE POOLING AND SERVICING AGREEMENT

The following summary describes certain provisions of the Pooling and Servicing Agreement, not otherwise described in this Offering Circular.

Freddie Mac as Seller, Master Servicer, Master Document Custodian, Trustee and Guarantor

Freddie Mac, a corporate instrumentality of the United States created and existing under the Freddie Mac Act, is the Seller of the Mortgage Loans and will be appointed as the Master Servicer, the Master Document Custodian, the Guarantor of the Offered Certificates and the Trustee. Freddie Mac's principal office is located at 8200 Jones Branch Drive, McLean, Virginia 22102. Freddie Mac currently has approximately 5,400 employees in the McLean, Virginia headquarters and in regional offices located in New York, New York, Atlanta, Georgia, Chicago, Illinois, Carrolton, Texas and Los Angeles, California. Freddie Mac conducts business in the U.S. secondary mortgage market by working with a national network of experienced single-family seller/servicers to purchase single-family homes and to set servicing standards for such mortgage loans. Freddie Mac performs in-house quality control reviews of single-family loans but does not directly originate loans or service loans for third-party investors.

On the Closing Date, Freddie Mac will deposit the Mortgage Loans into the Trust. As Seller, Freddie Mac will be a party to the Pooling and Servicing Agreement and will be the only party with whom the Trust will have any rights with respect to the repurchase of any Mortgage Loans due to Material Breaches of representation and warranties with respect thereto.

Freddie Mac will serve as the Master Servicer with respect to all of the Mortgage Loans and will, among other things, be responsible for the master servicing and administration of the Mortgage Loans pursuant to the Pooling and Servicing Agreement. Freddie Mac has extensive experience overseeing servicers, including, processing distressed loans in asset resolution through extensions, forbearance, short sale, modification, foreclosure and other loss mitigation activities. See *"General Mortgage Loan Purchase and Servicing"* in this Offering Circular. Freddie Mac's master servicing operations consist of separate teams that handle surveillance activities, mortgagor transactions, asset resolution and REO.

Freddie Mac has developed detailed operating policies, procedures and controls across the various servicing functions to determine servicer compliance with the Guide and to manage the Underlying Servicer's servicing of the Mortgage Loans. Freddie Mac's servicing policies and procedures, as reflected in the Servicing Requirements, are updated as necessary to keep pace with changes in Freddie Mac's servicing parameters. The Mortgage Loans are required to be serviced in accordance with the terms set forth in the Servicing Requirements. As Master Servicer, Freddie Mac is required to oversee the servicing of the Mortgage Loans by the Underlying Servicers.

Freddie Mac will be the Master Document Custodian of the Mortgage Loans and is required to oversee the Underlying Servicers' relationships with the document custodians that will retain custody of certain original documents relating to the Mortgage Loans on behalf of the Trust. The document custodians will serve in such capacity pursuant to the Purchase Documents.

Freddie Mac will act as Trustee under the Pooling and Servicing Agreement. The Trustee may resign from its duties under the Pooling and Servicing Agreement by giving written notice to the other parties to the Pooling and Servicing Agreement and all Certificateholders. The resignation of the Trustee will not become effective until a successor trustee is appointed. A resigning Trustee will be responsible for the payment of all reasonable expenses incurred in connection with such resignation and discharge and the appointment of a successor trustee. Even if Freddie Mac's duties as Trustee were to terminate, Freddie Mac, in its capacity as Guarantor, will still be obligated under the Pooling and Servicing Agreement with respect to its Guarantee.

Under the Pooling and Servicing Agreement, the Trustee may consult with counsel and rely upon the written advice of counsel and the Trustee will not be liable for any action taken or suffered or omitted by it in good faith in reliance thereon.

The Master Servicer, Trustee, Master Document Custodian, Trust Agent and Guarantor will be indemnified, subject to the Expenses Cap, against any and all losses, liabilities, damages, claims, judgments, costs, fees, penalties, fines, forfeitures or other expenses (including reasonable legal fees and expenses) that may be imposed on, incurred by, or asserted against it in connection with, related to, or arising out of the Pooling and Servicing Agreement, the transactions contemplated thereby, or the Certificates, other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) as a result of any breach of any representation or warranty or by reason of any misfeasance, bad faith,

fraud or negligence of such party in the performance of its obligations and duties under the Pooling and Servicing Agreement or the negligent disregard by such party of its duties and obligations thereunder.

The Trustee is entitled to be paid or reimbursed by the Trust for its reasonable expenses and disbursements. Any such reimbursement due to Freddie Mac, as Trustee, will not affect Freddie Mac's obligation with respect to the Guarantee.

Freddie Mac's senior long-term debt ratings are "AA+" by Standard & Poor's, "Aaa" by Moody's, and "AAA" by Fitch. Its short-term debt ratings are "A-1+" by Standard & Poor's, "P-1" by Moody's and "F1+" by Fitch.

Freddie Mac continues to operate under the conservatorship of the FHFA that commenced on September 6, 2008. From time to time, Freddie Mac is a party to various lawsuits and other legal proceedings arising in the ordinary course of business and is subject to regulatory actions that could materially adversely affect its operations and its ability to master service the Mortgage Loans pursuant to the Pooling and Servicing Agreement. See *"Risk Factors — Risks Relating to Freddie Mac"*.

The information set forth in this section has been provided by Freddie Mac. No person other than Freddie Mac makes any representation or warranty as to the accuracy or completeness of such information. Certain duties and obligations of Freddie Mac as the Master Servicer and the provisions of the Pooling and Servicing Agreement are described herein. Freddie Mac's ability to waive or modify any terms, fees, penalties or payments on the Mortgage Loans and the effect of that ability on the potential cash flows from the Mortgage Loans are described under *"Description of the Mortgage Loans"*.

The Master Servicer and various related persons and entities will be entitled to be indemnified by the Trust for certain losses and liabilities incurred by such parties.

Assignment of the Mortgage Loans

Freddie Mac will sell, assign and transfer all of its right, title and interest in the Mortgage Loans and all rights and obligations related thereto to the Trust pursuant to the terms of the Pooling and Servicing Agreement. In connection with the transfer of the Mortgage Loans, Freddie Mac will make the representations and warranties set forth in Appendix E hereto concerning the Mortgage Loans as of the Cut-Off Date to the Trust. Any representations and warranties concerning the Mortgage Loans made by the Underlying Sellers or Underlying Servicers in connection with the acquisition of the Mortgage Loans will remain with Freddie Mac and will not be assigned to the Trust. See "*—Mortgage Loan Representations and Warranties*".

Pursuant to the Pooling and Servicing Agreement, Freddie Mac as Seller will agree to recognize the Trust as the owner of the Mortgage Loans transferred thereunder, and Freddie Mac will be appointed as Master Servicer of the Mortgage Loans. The Master Servicer has the exclusive right on behalf of the Trust to enforce all obligations of the Underlying Servicers of the Mortgage Loans owed to Freddie Mac pursuant to the terms of the Servicing Requirements. In addition, the Trustee will grant limited powers of attorney to the Master Servicer and the Underlying Servicers and other third parties engaged in the management and disposition of REO (*e.g.*, listing brokers and title companies) to act on behalf of the Trust in the same manner and to the same extent that Freddie Mac has provided limited powers of attorneys to the same parties to act on behalf of Freddie Mac with respect to other Freddie Mac owned or guaranteed mortgages and REO properties.

The Pooling and Servicing Agreement requires that, with respect to each Mortgage Loan, the Mortgage Note or other promissory note, the Mortgage and any assumption, consolidation, modification agreement or power of attorney have been delivered to document custodians designated by the Master Document Custodian to receive such documents on behalf of the Trust by the Closing Date. Assignments of the Mortgage Loans to the Trust will not be initially recorded in any jurisdiction, and will be prepared and recorded in the future only as necessary in connection with the servicing of the Mortgage Loans. From and after the Closing Date, the Master Document Custodian will hold the Mortgage Loan documents, directly or through a document custodian acting as its agent or through the Underlying Seller or Servicer of the Mortgage Loans, for the benefit of the Trust and the Certificateholders, subject to policies and procedures that the Master Document Custodian may adopt, modify and waive from time to time.

Mortgage Loan Representations and Warranties

The Seller will make the representations and warranties set forth in Appendix E hereto. At the time the Seller purchased the Mortgage Loans, it received comparable representations and warranties from each of the Underlying Sellers. Although the Seller is relying on the Underlying Sellers' representations and warranties in making the representations and warranties described herein, the Seller is making such representations and warranties independent of the Underlying Sellers' representations and warranties made to Freddie Mac at the time of sale of the Mortgage Loans to Freddie Mac. With respect to representations and warranties that are made to the best of the Seller's knowledge or as to which the Seller has no knowledge, if it is discovered that the substance of any such representation or warranty is inaccurate and such inaccuracy is determined to constitute a Material Breach as described herein, then notwithstanding the Seller's lack of knowledge with respect to the substance of such representation or warranty being inaccurate at the time such representation or warranty was made, such inaccuracy will be deemed a Material Breach. In the event a Material Breach of any representation or warranty is determined to exist pursuant to the review process described below, the Seller will be required to repurchase the affected Mortgage Loan from the Trust (or make an indemnification payment in the case of a Liquidated Mortgage Loan) unless the representation and warranty is no longer in effect. See *"— Review of Mortgage Loan After a Breach Review Trigger Event — Sunset of Representations and Warranties"*. In addition, Freddie Mac is required to indemnify the Trust for any expenses it incurs as a result of any assignee liability resulting from a Mortgage Loan violating a law that imposes assignee liability (including TRID) if such violation also results in a breach of either the "regulatory compliance" or "no high cost loan" representation and warranty set forth on Appendix E; provided that, such indemnification applies (other than with respect to any violation of TRID) only to the extent that such Mortgage Loan was not reviewed by the Diligence Provider prior to being placed in the Trust.

Review of Mortgage Loan After a Breach Review Trigger Event

The Trust Agent is required to designate an Initial Reviewer to review each Mortgage Loan the first time that a Breach Review Trigger is met. A Breach Review Trigger will occur at the earliest of (i) a Mortgage Loan becoming 180 days or more delinquent, (ii) a foreclosure sale, short sale or deed-in-lieu of foreclosure sale being completed with respect to the mortgaged property related to the Mortgage Loan or (iii) a Mortgage Loan being modified due to mortgagor hardship or by a court of competent jurisdiction. The Trustee is required to notify the Trust Agent in writing (a **"Review Trigger Notice")** within forty-five (45) days after the Distribution Date on which a Mortgage Loan first meets a Breach Review Trigger. The Trust Agent is required to select the Initial Reviewer within seven (7) days after receiving the Review Trigger Notice, based on eligibility criteria in the Pooling and Servicing Agreement that includes, among other things, the requirement that such entity has (i) the expertise in performing due diligence reviews, (ii) the operational, technical and legal capacity to perform such reviews and (iii) processes in place to protect personal private information. Within 115 days after receipt of the Review Trigger Notice by the Trust Agent (the **"Document Deadline"**), the Seller is required to provide or cause to be provided to the Initial Reviewer all of the documents in the mortgage loan file as well as any additional documents identified to the Seller in writing by the Initial Reviewer as necessary to perform the review (the mortgage loan file and such additional documents, the **"Review Materials"**). The Initial Reviewer is required to examine the Review Materials to determine whether a Material Breach of such Mortgage Loan exists (the **"Initial Review"**).

The Initial Reviewer is required to base its Initial Review on the Review Materials that are made available to it. The Initial Reviewer is required to determine whether each representation and warranty given with respect to the Mortgage Loan under review is accurate, except as set forth below. If the Initial Reviewer determines that a particular representation or warranty is accurate, no further action will be taken by the Initial Reviewer with respect to such representation or warranty, and such representation or warranty will be deemed not to be breached. If the Initial Reviewer determines that a particular representation or warranty given with respect to the Mortgage Loan is not accurate, the Initial Reviewer is required to determine in its sole judgment whether the breach is a Material Breach. The Initial Reviewer is required to make such determination in light of the facts and circumstances of the Mortgage Loan, but will not consider whether the Material Breach is the proximate cause of the Breach Review Trigger. The Initial Reviewer will not review a representation or warranty that has sunset in accordance with the provisions described herein and in Appendix E. If a representation or warranty has sunset,

the Seller will have no further obligations to the Trust with respect to such representation or warranty. See *"— Sunset of Representations and Warranties"*.

If the Review Materials made available to the Initial Reviewer are, in the Initial Reviewer's sole judgment, missing documents required to complete any part of the Initial Review, or if the Review Materials received by the Initial Reviewer are, in the Initial Reviewer's sole judgment, too defective to undertake any aspect of the Initial Review, the Initial Reviewer is required to notify the Seller and the Trust Agent in writing of such missing documents (a **"Missing Document Notice"**) within seven (7) days following the Document Deadline, which Missing Document Notice will be supplemented by the Initial Reviewer and resubmitted to the Seller to the extent additional missing documents are identified. Neither the Trust Agent nor the Initial Reviewer will have any obligation to obtain corrected or missing documents from any party or any other source. If any such documentation deficiency has not been remedied to the Initial Reviewer's reasonable satisfaction within 120 days after the Missing Document Notice is first provided, then the Initial Reviewer may deem a Material Breach to exist with respect to the representation or warranty for which such missing information is needed by the Initial Reviewer to make a determination. In situations where the Initial Reviewer, in the exercise of its sole judgment, determines that the Review Materials are defective or inadequate, but that the Initial Review can be completed nevertheless, it may proceed with the Initial Review without regard to the defective or inadequate Review Materials. The Initial Reviewer is required to provide written confirmation (a **"Review Materials Confirmation"**) to the Seller and the Trust Agent at such time as it determines, in its sole judgment, that it has received Review Materials sufficient to perform the Initial Review.

At the same time that the Initial Reviewer is conducting its Initial Review, the Seller will perform its own review of the Mortgage Loan. To the extent that the Seller learns of additional information concerning the Mortgage Loan that the Seller believes will impact the decision of whether or not a Material Breach exists, the Seller will be required to promptly forward such information to the Initial Reviewer.

The Initial Reviewer is required to complete its Initial Review within sixty (60) days of its delivery of a Review Materials Confirmation and provide a written report (the **"Initial Reviewer Report"**) to the Trust Agent and the Seller containing its determination (and findings that support such determination) of whether or not a Material Breach exists for each of the representations and warranties made by the Seller with respect to the Mortgage Loan (the **"Initial Reviewer's Determination"**), along with a certificate stating that the conclusions reached by the Initial Reviewer were arrived at independently. The Seller may appeal the Initial Reviewer's Determination by forwarding to the Initial Reviewer within sixty (60) days of receiving the Initial Reviewer Report, a notice (an **"Appeal Notice"**) setting forth the reasons for the appeal along with any evidence to support the Seller's position. The Initial Reviewer, after reviewing the Review Materials and the Seller's Appeal Notice, is required to notify the Trust Agent and the Seller in writing (an **"Appeal Determination Notice"**) within seven (7) days after receiving the Appeal Notice as to whether or not it confirms its finding that a Material Breach exists with respect to such Mortgage Loan (a **"Defective Loan"**) and will certify that such results were arrived at independently and not influenced by any third party. Not later than the Distribution Date in the month following its receipt of any Appeal Determination Notice indicating the Initial Reviewer's final Defective Loan finding, the Seller will be required to (i) repurchase the Defective Loan from the Trust at the Repurchase Price, (ii) make an indemnification payment to the Trust equal to the Repurchase Indemnification Amount to the extent the Defective Loan is no longer in the Trust, or (iii) request pursuant to written notice to the Trust Agent (a **"Dispute Notice"**) that an Additional Reviewer conduct a Final Review of the Mortgage Loan. Notwithstanding the foregoing, the Material Breach determination will be final, without the benefit of a Final Review, for the first three (3) Mortgage Loans for which the Seller disagrees with the Initial Reviewer's final Material Breach determination.

The Additional Reviewer is required to be selected by the Trust Agent within seven (7) days after its receipt of a Dispute Notice, based on the same eligibility criteria used to select the Initial Reviewer. The Additional Reviewer is required to examine the Review Materials for the same purpose and using the same criteria used by the Initial Reviewer (a **"Final Review"**). The Additional Reviewer is required to deliver to the Trust Agent and Seller within sixty (60) days of its appointment, a report (the **"Additional Reviewer Report"**) containing its determination (and findings that support such determination) of whether or not a Material Breach exists with respect to the related Mortgage Loan, along with a certificate that its conclusions were arrived at independently and not influenced by any third-party. To the extent the Additional Reviewer determines that a Material Breach exists with respect to the Mortgage Loan, the Seller will be required to (i) dispute the findings by submitting a

written notice (a **"Subsequent Appeal Notice"**) to the Trust Agent and the Additional Reviewer within seven (7) days of its receipt of the Additional Reviewer Report or, (ii) no later than the Distribution Date in the month following the month in which the Additional Reviewer issues the Additional Reviewer Report, (a) repurchase the Mortgage Loan from the Trust at the Repurchase Price or (b) make an indemnification payment to the Trust equal to the Repurchase Indemnification Amount if the Mortgage Loan is no longer in the Trust. The Additional Reviewer is required to respond to any Subsequent Appeal Notice within seven (7) days of its receipt thereof. The Additional Reviewer will provide its conclusion to the Trust Agent and Seller in writing and will certify that such results were arrived at independently and not influenced by any third-party. The Additional Reviewer's decision will be final and binding on the Seller and the Trust.

To the extent that the Additional Reviewer determines that no Material Breach exists for a Mortgage Loan, the Trust is required to pay all of the costs of the Additional Reviewer that are associated with the Final Review. If the Additional Reviewer determines that a Material Breach exists with respect to a Mortgage Loan, the Seller is required to pay all of the costs of the Additional Reviewer that are associated with the Final Review. Subject to the Expenses Cap, the fees of the Initial Reviewer in connection with its Initial Review are required to be paid by the Trust prior to any distribution to the Certificateholders. In no event will the Trust Agent be required to pay the costs of any review of any Mortgage Loan from its own funds.

The review process described above will be the sole method to determine the occurrence of any Material Breach by the Seller of any representation or warranty in respect of any Mortgage Loan, and none of the parties to the Pooling and Servicing Agreement or the Certificateholders may seek judicial review of any such determination. Certificateholders will not be able to change the scope of an Initial Review or Final Review. Additionally, the Initial Reviewer and, as applicable, the Additional Reviewer, are required to conduct their review based on information in the Review Materials and, therefore each may be limited in its ability to uncover a breach.

Sunset of Representations and Warranties

With respect to any Mortgage Loan, the representations and warranties by the Seller relating to (i) the underwriting of the mortgagor (including loan terms, credit history, employment, income and assets and other financial information used for qualifying the mortgagor), (ii) the underwriting of the mortgaged property (*e.g.*, the description and valuation of the mortgaged property) or (iii) the underwriting of the project in which the mortgaged property is located (*e.g.*, a PUD or condominium project), will no longer be in effect to the extent that the mortgagor (a) made the first 36 monthly payments due after the date the Mortgage Loan was deposited into the Trust with no more than two 30-day delinquencies and no 60-day or greater delinquencies and (b) is not 30 or more days delinquent with respect to the 36th monthly payment after the Mortgage Loan is deposited into the Trust. Once a representation and warranty is no longer in effect, the Trust will have no recourse to the Seller for a breach of such representation and warranty. To the extent that a representation and warranty may sunset, such sunset provision/exclusion is set forth in Appendix E.

If a mortgagor fails to satisfy the above-referenced conditions, the representations and warranties will remain in effect and the Trust will continue to have recourse to the Seller for breaches of any such representations and warranties. In any event, representations and warranties pertaining to compliance with laws, the Freddie Mac Act, lien priority, misrepresentations or misstatements by the applicable Underlying Seller, and systemic fraud will remain in effect and the Trust will continue to have recourse to the Seller for breaches of any such representations and warranties for the life of the Mortgage Loan.

Repurchases of Mortgage Loans

The Seller has the right, exercisable in its sole discretion, to repurchase any Mortgage Loan that is at least 90 days delinquent, whether or not a Material Breach is found to exist with respect to such Mortgage Loan. In addition, in conjunction with its oversight of the Underlying Sellers and Underlying Servicers in accordance with the Guide, the Seller has the right, exercisable in its sole discretion, to repurchase any Mortgage Loan that an Underlying Seller or Underlying Servicer is required to repurchase as a remedy for a violation of the Guide or other applicable Seller or Servicer requirements, whether or not a Material Breach is found to exist with respect to such Mortgage Loan, so long as such Underlying Seller or Underlying Servicer has agreed to repurchase such Mortgage Loan from the Seller. Any such repurchases will be at the Repurchase Price, or if such Mortgage Loan is a Liquidated Mortgage Loan, at a price equal to the Repurchase Indemnification Amount, and will have the same effect as a prepayment in full of the related Mortgage Loan.

Collection Account and Certificate Account

Each Underlying Servicer is required to deposit upon receipt, and in any event within one Business Day of receipt, all payments it receives on the Mortgage Loans, less its Servicing Fee, late payment fees and assumption fees into a Freddie Mac account (the **"Freddie Mac Account"**). All money due to Freddie Mac or any Freddie Mac trust is deposited into such Freddie Mac Account. Such deposits will include but are not limited to:

- payments of principal and interest at the Trust Mortgage Rate received on the Mortgage Loans,
- principal prepayments on the Mortgage Loans, and
- Liquidation Proceeds to the extent received by the Underlying Servicers.

The Master Servicer is required to deposit all payments with respect to the Mortgage Loans held in the Freddie Mac Account as well as the proceeds of any repurchase of the Mortgage Loans into an account (the **"Collection Account"**) within two (2) Business Day of such amounts being due to the Freddie Mac Account. The principal portion of monthly payments that relate to payments due on or before the Cut-Off Date, regardless of when received, belong to the Seller and will not be deposited into the Collection Account. The Master Servicer is not required to deposit, but rather can retain, any compensatory fees. The Collection Account will be a segregated non-interest bearing trust account; however, funds in the Collection Account can be invested at the written direction of the Master Servicer in certain permitted investments, including, but not limited to, Freddie Mac debt obligations. In the absence of timely written instructions from the Master Servicer, amounts on deposit in the Collection Account will remain uninvested. The Collection Account will be maintained by the Securities Administrator. In no event will the Securities Administrator be liable for any losses on investments made in accordance with the Master Servicer's or the Trustee's instructions.

The Master Servicer may withdraw amounts from the Collection Account only for the following purposes:

- To reimburse itself for unreimbursed P&I Advances (such reimbursement being limited to amounts received on the related Mortgage Loans that represent late recoveries of principal and/or interest respecting which a P&I Advance was made),
- To reimburse itself for a prior Forgiveness Advance made to the Trust as a result of a forgiveness modification on a Mortgage Loan, but only to the extent that such Mortgage Loan becomes a Liquidated Mortgage Loan,
- To deposit monies into the Certificate Account pursuant to the Pooling and Servicing Agreement,
- To reimburse itself for any other Advances made on a Mortgage Loan from Liquidation Proceeds,
- To pay itself and the Guarantor the Master Servicing Fee and the Guarantee Fee, respectively, to the extent such amounts are not paid by the Securities Administrator out of funds in the Certificate Account,
- To reimburse itself for any Master Servicer Shortfall Amounts from a previous period,
- To pay itself as master servicing compensation any investment income on funds in the Collection Account,
- To pay itself any subsequent losses and any Capitalization Reimbursement Amount,
- To transfer funds in the Collection Account maintained at a particular depository to the Collection Account maintained at a different depository,
- To withdraw amounts deposited in the Collection Account in error, and
- To clear and terminate the Collection Account.

No later than 1:00 p.m. New York time on the Business Day prior to each Distribution Date (the **"Master Servicer Remittance Date"**), the Securities Administrator will transfer the Interest Remittance Amount, the Principal Remittance Amount for each Pool and the aggregate amount of fees and expenses to be paid by the Securities Administrator on such Distribution Date to the certificate account (the **"Certificate Account"**), which

is a segregated non-interest bearing trust account for the benefit of the Trust, the Certificateholders and Freddie Mac, as Guarantor. The Securities Administrator will make distributions to the Certificateholders from amounts in the Certificate Account prior to 12:00 p.m. New York time on each Distribution Date.

The Securities Administrator may withdraw amounts from the Certificate Account only for the following purposes:

- To pay to the Trustee, the Master Servicer, the Guarantor, the Securities Administrator or the Trust Agent any amounts owed to such party pursuant to the Pooling and Servicing Agreement subject to the Expenses Cap and limitations described in the Pooling and Servicing Agreement;
- To remit funds to the Certificateholders in the amounts and the manner provided for in the Pooling and Servicing Agreement;
- To pay to the Trustee any earnings on or investment income with respect to funds in or credited to the Certificate Account;
- To repay any amounts deposited into the Certificate Account in error; and
- To clear and terminate the Certificate Account upon the termination of the Pooling and Servicing Agreement.

Each of the Collection Account and the Certificate Account must be:

- a deposit account or accounts maintained with a federal or state chartered depository institution, or
- a trust account or accounts maintained within the corporate trust department of a federal or state chartered depository institution or trust company;

in each case, the deposits of which are insured by the Federal Deposit Insurance Corporation to the applicable limits and the short-term unsecured debt obligations of which (or, in the case of a depository institution that is a subsidiary of a holding company, the short-term unsecured debt obligations of such holding company) are rated at least "A-2" by S&P and "P-2" by Moody's (or a comparable rating if another rating agency is specified by the Trustee by written notice to the Master Servicer) at the time any deposits are held on deposit therein. The Collection Account and Certificate Account may be maintained at the Securities Administrator's, or any of its affiliates' offices, if these qualifications are met.

The amount on deposit in each of the Certificate Account and Collection Account, to the extent such funds are invested, will be invested in permitted investments as described in the Pooling and Servicing Agreement. Permitted investments must mature no later than the related Distribution Date. Any investment income earned on the Collection Account and Certificate Account will be paid to the Master Servicer and the Trustee, respectively, as additional compensation. If there is a loss incurred in the Certificate Account or the Collection Account because of an investment, the Trustee or the Master Servicer, respectively, must deposit immediately as realized into such account the amount of such loss, without right of reimbursement.

Master Servicer Reports

In accordance with the terms of the Guide, each Underlying Servicer is required to prepare and distribute to the Master Servicer certain reports related to the Mortgage Loans. The Master Servicer is required to prepare and make available to the Securities Administrator loan level files for the related Distribution Date no later than seven (7) Business Days prior to such Distribution Date.

The Master Servicer also will forward to the Securities Administrator no later than seven (7) Business Days prior to each Distribution Date, (i) a statement setting forth the activity in the Collection Account for the prior calendar month showing the aggregate amount of deposits into and withdrawals from such account for the calendar month, (ii) a statement as of the prior month end setting forth the amount due to the Master Servicer from the Collection Account or due to the Collection Account from the Master Servicer and (iii) a report setting forth all expenses owed to Freddie Mac (in its capacities as Master Servicer, Master Document Custodian, Trustee, Seller and Guarantor), the Trust Agent and the Securities Administrator.

Securities Administrator Reports

The Securities Administrator is required to prepare the Certificateholder Report and make it available no later than one Business Day prior to each Distribution Date. The Certificateholder Report will include, but not be limited to, the following for that Distribution Date:

- the amount applied to reduce the Class Principal Amount of each Class of Certificates;
- the Interest Remittance Amount for each Pool for such Distribution Date;
- the Principal Remittance Amount for each Pool for such Distribution Date;
- the amount of the Master Servicing Fee, the Guarantee Fee for each Pool, the Trust Agent Fee and the Securities Administrator Fee to be paid to, or retained by, the Master Servicer, the Guarantor, the Trust Agent and the Securities Administrator, respectively, on such Distribution Date;
- the aggregate amount, if any, of P&I Advances outstanding as of the preceding Distribution Date;
- the amount of Forgiveness Advances outstanding;
- the Interest Deficiency Amount for such Distribution Date;
- the Principal Deficiency Amount for such Distribution Date;
- the Certificate Realized Losses and Certificate Writedown Amounts for such Distribution Date;
- a statement for each Mortgage Loan with a Realized Loss for the related Loss Period detailing such Realized Loss;
- a statement for each Mortgage Loan with a modification for the related Modification Period detailing such modification;
- the Interest Distribution Amount for each Class of Certificates for such Distribution Date;
- any Guarantor Interest Payments for such Distribution Date;
- any Guarantor Principal Payments for such Distribution Date;
- any Pool Redistribution Amount, Redistribution Amount, and Carryover Redistribution Amount for such Distribution Date;
- the aggregate Stated Principal Balance of the Mortgage Loans as of the Distribution Date; the Mortgage Rates (in incremental ranges) and the weighted average remaining term of the Mortgage Loans;
- the number and Stated Principal Balance of the Mortgage Loans that were (A) delinquent (exclusive of Mortgage Loans in foreclosure) (1) 30 to 59 days, (2) 60 to 89 days and (3) 90 or more days, (B) in foreclosure and (C) in bankruptcy, all as of the Delinquency Determination Date relating to the Distribution Date;
- all modifications with respect to Mortgage Loans that were processed during the Modification Period relating to the Distribution Date, and to the extent a modification includes principal forbearance, the Principal Forbearance Amount;
- the number and Stated Principal Balance of the Mortgage Loans that were repurchased by the Seller;
- the amount of Subsequent Recoveries on the Mortgage Loans for each of Pool 1 and Pool 2;
- the Class Principal Amount of each Class of Certificates (other than the Residual Certificates) after giving effect to the distribution of principal on that Distribution Date;
- the aggregate amount of (A) prepayments in full reported to the Master Servicer during the applicable Prepayment in Full Period, (B) partial prepayments reported to the Master Servicer during the applicable Curtailment Period and (C) Liquidation Proceeds received during the applicable Loss Period;

- the Pool 1 Guarantee Fee Rate and the Pool 2 Guarantee Fee Rate;
- for each Mortgage Pool the Senior Percentage, the Subordinate Percentage and, as applicable, any Pool 1 Undercollateralized Amount and Pool 2 Undercollateralized Amount for such Distribution Date;
- if the interest actually distributed to any Class of Certificates is less than the Interest Distribution Amount for such Class, the amount of such unpaid interest shortfall; and
- any applicable notices regarding changes in the Reporting Periods.

The Securities Administrator is required to make such statement available to Certificateholders, and to potential or beneficial owners of the Certificates that provide appropriate certification in the form furnished by the Securities Administrator (which may be submitted electronically via the Securities Administrator's website) through the Securities Administrator's website.

The Securities Administrator also is required to make available loan level information provided to it by Freddie Mac relating to the Mortgage Loans. Such information will be available on the Securities Administrator's website. Any person seeking access to the loan level data must agree to the terms and conditions set forth on the website prior to obtaining the information.

In addition, at the end of each calendar year, the Securities Administrator is required to provide to each person who was a holder at any time during that year customary information required by the Internal Revenue Service (**"IRS"**). The Securities Administrator will make the Certificateholder Report (and, at its option, any additional files containing the same information in an alternative format) available each month to the holders and to the parties to the Pooling and Servicing Agreement on its internet website. The Securities Administrator's internet website will initially be located at "www.usbank.com/abs". If you need assistance in using the website, you should call the Securities Administrator's customer service desk at (800) 934-6802. You may have a paper copy of the report mailed to you by requesting a copy from the Securities Administrator customer service desk.

Servicing Compensation and Reimbursement of Advances

The Master Servicer will be paid the Master Servicing Fee. The Master Servicer is entitled to retain any compensatory fees collected from the Underlying Servicers with respect to Mortgage Loans and is required to pay out of its own account without right of reimbursement, any incentive fees paid to Underlying Servicers for any loss mitigation activities with respect to the Mortgage Loans. Each Underlying Servicer is required to retain a Servicing Fee of 0.25% per annum (the **"Servicing Fee Rate"**) calculated on the unpaid principal balance of the Mortgage Loans it services. Each Underlying Servicer is entitled to retain as additional servicing compensation incentive fees paid by Freddie Mac for loss mitigation activities and all ancillary fees related to the Mortgage Loans it services to the extent such fees are collected from mortgagors, including, all assumption fees, non-sufficient funds fees and late fees.

The rights of the Master Servicer to receive funds from the Collection Account, such as the Master Servicing Fee or other compensation, reimbursement of Advances, expenses or otherwise (all as more fully described under *"— Collection Account and Certificate Account"*), are senior to the rights of the Certificateholders.

Various Matters Regarding Freddie Mac

The Pooling and Servicing Agreement provides that Freddie Mac and its directors, officers, employees and agents will not be liable for any action taken or omitted in good faith under the Pooling and Servicing Agreement or for errors in judgment. However, Freddie Mac will not be protected against any liability imposed by reason of willful misfeasance, bad faith or negligence or by reason of reckless disregard of obligations and duties.

We may employ agents or independent contractors to perform our responsibilities under the Pooling and Servicing Agreement. As Trustee, we may also provide the Master Servicer, the Underlying Servicers and vendors with a limited power of attorney to take certain actions for the Trust.

Freddie Mac, in its capacity as Master Servicer, Trustee, Master Document Custodian, Seller and Guarantor, will not be subject to the control of Certificateholders in any manner in the discharge of our responsibilities under

the Pooling and Servicing Agreement. We will have no liability to you other than for any direct damage resulting from our failure to exercise that degree of ordinary care that we exercise in the conduct and management of our own affairs. We will have no liability of any nature for consequential damages.

Events of Default

A Master Servicer **"Event of Default"** under the Pooling and Servicing Agreement will consist of:

- any failure by us (or our agent), in our capacity as Master Servicer, to remit principal or interest, determined in accordance with the Pooling and Servicing Agreement, that continues unremedied for two (2) days;
- any failure by us, in our capacity as Master Servicer, to perform in any material way any other obligation under the Pooling and Servicing Agreement if the failure continues unremedied for 60 days after we receive notification of such failure to perform from the Certificateholders representing more than 50% of the aggregate Voting Rights of all of the Classes of the Subordinate Certificates (or, in the event a Guarantor Nonpayment Event exists, more than 50% of the aggregate Voting Rights of all of the Classes of the Senior and Subordinate Certificates); or
- specified events of bankruptcy, insolvency or similar proceedings involving us.

The appointment of a conservator (or other similar official) by a regulator having jurisdiction over us, whether or not we consent to such appointment, will not constitute an Event of Default. The Reform Act also provides that no person may exercise any rights or powers to terminate, accelerate or declare an event of default under certain contracts to which Freddie Mac is a party, or obtain possession of or exercise control over property of Freddie Mac, or affect any contractual rights of Freddie Mac, without the approval of FHFA as receiver, for a period of 90 days following the appointment of FHFA as receiver.

See *"Risk Factors — Investment Factors and Risks Related to the Certificates — Investors Have No Direct Right to Enforce Remedies"*.

Rights Upon Event of Default

If an Event of Default under the Pooling and Servicing Agreement continues unremedied, Certificateholders of more than 50% of the aggregate Voting Rights of all of the Classes of the Subordinate Certificates (or, in the event a Guarantor Nonpayment Event exists, more than 50% of the aggregate Voting Rights of all of the Classes of the Senior and Subordinate Certificates) may authorize the Trust Agent to take legal action against the Master Servicer.

No Certificateholder has any right under the Pooling and Servicing Agreement to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, or for the appointment of a receiver or trustee, or for any remedy, unless:

- the Certificateholders of more than 50% of the aggregate Voting Rights of all of the Classes of the Subordinate Certificates (or, in the event a Guarantor Nonpayment Event exists, more than 50% of the aggregate Voting Rights of all of the Classes of the Senior and Subordinate Certificates) have given the Trust Agent written notice to take action as necessary to enforce the Master Servicer's obligations under the Pooling and Servicing Agreement; and
- the Event of Default continues uncured for 60 days (2 days for a failure to remit principal or interest) following such notice.

Certificateholders do not have any rights under the Pooling and Servicing Agreement to disturb or prejudice the rights of any other Certificateholders, or to obtain or seek to obtain preference or priority over any other Certificateholders or to enforce any right under the Pooling and Servicing Agreement, except as provided in the Pooling and Servicing Agreement and for the common benefit of all Certificateholders.

The Trust Agent will cause notice to be provided to the Certificateholders of any Event of Default. Certificateholders of more than 50% of the aggregate Voting Rights of all of the Classes of the Subordinate Certificates (or, in the event a Guarantor Nonpayment Event exists, more than 50% of the aggregate Voting

Rights of all of the Classes of the Senior and Subordinate Certificates) may waive such Event of Default within ninety (90) days of the receipt of notice from the Trust Agent of the occurrence of such Event of Default; *provided, however*, that an Event of Default for failure by the Master Servicer to (i) timely remit funds to the Collection Account or (ii) duly observe or perform in any material respect the covenants or agreements in the Pooling and Servicing Agreement may only be waived by 100% of the Certificateholders of the affected Classes.

Where the Pooling and Servicing Agreement allows Certificateholders of a specified percentage of the outstanding Class Principal Amount of Certificates to take any action (including the making of any demand or request, or the giving of any authorization, notice, consent or waiver), the Certificateholders of that specified percentage may evidence their joining together by a writing, or any number of writings of similar tenor, executed by Certificateholders in person, or by an agent or proxy appointed in writing.

Amendment

The parties to the Pooling and Servicing Agreement may amend the Pooling and Servicing Agreement and the terms of the Certificates without Certificateholder consent:

- to cure any ambiguity or to correct any provision in the Pooling and Servicing Agreement if the amendment does not materially and adversely affect any Certificateholder;
- to add to our covenants for Certificateholders' benefit or to surrender any right or power conferred upon us;
- to evidence the succession of another entity to us and its assumption of our covenants;
- to conform the terms of the Certificates to, or cure any ambiguity or discrepancy resulting from any changes in, the rules or regulations promulgated by the SEC; or
- in any other manner we may determine that will not adversely affect your interests in any material way.

With the written consent of the Certificateholders of at least 66⅔% of the Voting Rights allocated to each of the Classes of Certificates that are materially affected, we may amend the terms of those Certificates, but that amendment may not, without the written consent or affirmative vote of each affected Certificateholder:

- change the Maturity Date or any monthly Distribution Date of the Certificate;
- reduce the Class Principal Amount (other than as provided for in the Pooling and Servicing Agreement), delay the principal distribution of (other than as provided for in the Pooling and Servicing Agreement), or materially modify the rate of interest or the calculation of the rate of interest on, the Certificate;
- decrease any payments received or advanced by any party, that adversely impact Certificateholders; or
- reduce the percentage of Certificateholders whose consent or affirmative vote is necessary to amend the terms of the Certificates.

Notwithstanding these rights, we will not be permitted to make any amendment to the Pooling and Servicing Agreement and the terms of the Certificates unless we have received an opinion of nationally-recognized U.S. federal income tax counsel to the effect that, and subject to customary assumptions, qualifications and exclusions, Certificateholders will not recognize any adverse tax consequences as a result of such amendment and the Trustee and Securities Administrator each receives an opinion that such proposed amendment is authorized or permitted pursuant to the terms of the Pooling and Servicing Agreement.

A quorum at any meeting of Certificateholders called to adopt a resolution will be Certificateholders entitled to vote a majority of the Voting Rights of each Class of Certificates at the time outstanding. At any reconvened meeting adjourned for lack of a quorum, a quorum will be achieved with 25% of the Voting Rights of each Class of Certificates at the time outstanding. In both cases, this will exclude any such Certificates owned by us. See *"Risk Factors — Investment Factors and Risks Related to the Certificates — Investors Have No Direct Right to Enforce Remedies"*.

As provided in the Pooling and Servicing Agreement, the Trustee is required to establish a record date for the determination of Certificateholders entitled to vote at any meeting of Certificateholders, to grant any consent regarding Certificates and for the purpose of providing notice of any such meeting or consent.

Any instrument given by a Certificateholder on your behalf relating to a consent will be irrevocable once given and will be conclusive and binding on all subsequent Certificateholders of that Certificate or any substitute or replacement Certificate, and whether or not notation of any amendment is made upon the Certificates. Any amendment of the Pooling and Servicing Agreement or of the terms of Certificates will be conclusive and binding on all Certificateholders of those Certificates, whether or not they have given such consent or were present at any meeting (unless by the terms of the Pooling and Servicing Agreement a written consent or an affirmative vote of such Certificateholders is required), and whether or not notation of any such amendment is made upon the Certificates.

Notice

Any notice, demand or other communication which is required or permitted to be delivered to us must be given in writing addressed as follows: Freddie Mac, 8200 Jones Branch Drive, McLean, Virginia 22102, Attention: General Counsel and Secretary. The communication will be deemed to have been sufficiently given or made only upon actual receipt of the writing by us.

Governing Law

The Pooling and Servicing Agreement and the rights and obligations of Certificateholders and Freddie Mac with respect to the Certificates are to be interpreted under the federal laws of the United States. If there is no applicable U.S. federal law precedent, and if the application of New York law would not frustrate the purposes of the Freddie Mac Act or any provision of the Pooling and Servicing Agreement or the transactions governed by the Pooling and Servicing Agreement, then the local laws of the State of New York will be deemed to reflect the federal laws of the United States.

Trust Agent

Wilmington Trust, National Association (**"WTNA"**) (formerly called M & T Bank, National Association) — also referred to herein as the Trust Agent — is a national banking association with trust powers incorporated in 1995. The Trust Agent's principal place of business is located at 1100 North Market Street, Wilmington, Delaware 19890. WTNA is an affiliate of Wilmington Trust Company and both WTNA and Wilmington Trust Company are subsidiaries of Wilmington Trust Corporation.

On May 16, 2011, after receiving all required shareholder and regulatory approvals, Wilmington Trust Corporation, the parent of WTNA, through a merger, became a wholly-owned subsidiary of M&T Bank Corporation (**"M&T"**), a New York corporation.

WTNA is subject to various legal proceedings that arise from time to time in the ordinary course of business. WTNA does not believe that the ultimate resolution of any of these proceedings will have a materially adverse effect on its services as owner trustee.

The foregoing information concerning the Trust Agent has been provided by WTNA. None of the Seller, the Underwriters, the Master Servicer, the Master Document Custodian, the Guarantor or the Securities Administrator or any of their affiliates takes any responsibility for this information or makes any representation or warranty as to its accuracy or completeness.

Duties of the Trust Agent

The Trust Agent will, among other duties set forth in the Pooling and Servicing Agreement, (i) appoint the Initial Reviewer and any Additional Reviewer for any review of a Mortgage Loan and (ii) at the direction of Certificateholders, subject to the right of the Trust Agent to receive additional indemnity satisfactory to it from such directing holders, pursue legal remedies against the Master Servicer following the occurrence of a Master Servicer Event of Default. The Trust will provide indemnification, subject to the Expenses Cap, to the Trust Agent against any and all losses, liabilities, damages, claims, judgments, costs, fees, penalties, fines, forfeitures

or other expenses (including reasonable legal fees and expenses) that may be imposed on, incurred by, or asserted against it in connection with, related to, or arising out of the Pooling and Servicing Agreement, the transactions contemplated thereby, or the Certificates, other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) as a result of any willful misconduct, bad faith, fraud or negligence of the Trust Agent in the performance of its obligations and duties under the Pooling and Servicing Agreement or the negligent disregard by the Trust Agent of its duties and obligations thereunder.

Securities Administrator

U.S. Bank National Association (**"U.S. Bank"**) will act as Securities Administrator (the **"Securities Administrator"**) under the Pooling and Servicing Agreement.

U.S. Bank, a national banking association will act as Securities Administrator under the Pooling and Servicing Agreement. U.S. Bancorp, with total assets exceeding $429 billion as of March 31, 2016, is the parent company of U.S. Bank, the fifth largest commercial bank in the United States. As of March 31, 2016, U.S. Bancorp served approximately 18 million customers and operated over 3,000 branch offices in 25 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, and institutions.

U.S. Bank has one of the largest corporate trust businesses in the country, with office locations in 51 domestic and 2 international cities. The Pooling and Servicing Agreement will be administered from U.S. Bank's corporate trust office located at One Federal Street, 3rd Floor, Mailcode EX-MA-FED, Boston, Massachusetts 02110 (and for certificate transfer services, 111 Fillmore Avenue, St. Paul, Minnesota 55107, Attention: Bondholder Services — Freddie WLS 2016-SC01).

U.S. Bank has provided corporate trust services since 1924. As of March 31, 2016, U.S. Bank was providing securities administrator services on more than 202 transactions with $22,611,500,000 of outstanding mortgage-backed securities prime structured products. The Securities Administrator is required to make each monthly statement available to the certificateholders via the certificate administrator's internet website at www.usbank.com/abs. Certificateholders with questions may direct them to the Securities Administrator's bondholder services group at (800) 934-6802.

Since 2014 various plaintiffs or groups of plaintiffs, primarily investors, have filed claims against U.S. Bank, in its capacity as trustee or successor trustee (as the case may be) under certain residential mortgage backed securities (**"RMBS"**) trusts. The plaintiffs or plaintiff groups have filed substantially similar complaints against other RMBS trustees, including Deutsche Bank, Citibank, HSBC, Bank of New York Mellon and Wells Fargo. The complaints against U.S. Bank allege the trustee caused losses to investors as a result of alleged failures by the sponsors, mortgage loan sellers and servicers for these RMBS trusts and assert causes of action based upon the trustee's purported failure to enforce repurchase obligations of mortgage loan sellers for alleged breaches of representations and warranties concerning loan quality. The complaints also assert that the trustee failed to notify securityholders of purported events of default allegedly caused by breaches of servicing standards by mortgage loan servicers and that the trustee purportedly failed to abide by a heightened standard of care following alleged events of default.

Currently U.S. Bank is a defendant in multiple actions alleging individual or class action claims against the trustee with respect to multiple trusts as described above with the most substantial case being: *BlackRock Balanced Capital Portfolio et al v. U.S. Bank National Association*, No. 605204/2015 (N.Y. Sup. Ct.) (class action alleging claims with respect to approximately 794 trusts) and its companion case *BlackRock Core Bond Portfolio et al v. U.S Bank National Association*, No. 14-cv-9401 (S.D.N.Y.). Some of the trusts implicated in the aforementioned Blackrock cases, as well as other trusts, are involved in actions brought by separate groups of plaintiffs related to no more than 100 trusts per case.

U.S. Bank cannot make assurances as to the outcome of any of the litigation, or the possible impact of these litigations on the Securities Administrator or the RMBS trusts. However, U.S. Bank denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of losses to investors and that it has meritorious defenses, and it intends to contest the plaintiffs' claims vigorously.

Under the terms of the Pooling and Servicing Agreement, U.S. Bank is responsible for securities administration, which includes pool performance calculations, distribution calculations and the preparation of monthly distribution reports. The distribution reports will be reviewed by an analyst and then by a supervisor using a transaction-specific review spreadsheet. Any corrections identified by the supervisor will be corrected by the analyst and reviewed by the supervisor. The supervisor also will be responsible for the timely delivery of reports to the administration unit for processing all cash flow items. As Securities Administrator, U.S. Bank is also responsible for the preparation and filing of all REMIC tax returns on behalf of the issuing entity. In the past three years, the Securities Administrator has not made material changes to the policies and procedures of its securities administration services for residential mortgage backed securities.

The foregoing information concerning the Securities Administrator has been provided by U.S. Bank. None of the Seller, the Underwriters, the Master Servicer, the Master Document Custodian, the Guarantor or the Trust Agent or any of their affiliates takes any responsibility for this information or makes any representation or warranty as to its accuracy or completeness.

Duties of the Securities Administrator

The Securities Administrator will, among other duties set forth in the Pooling and Servicing Agreement, (i) authenticate and deliver the Certificates, (ii) serve as registrar for purposes of registering the Certificates and the transfers and exchanges of the Certificates, (iii) calculate the principal and interest distributions due on the Certificates on each Distribution Date, (iv) pay, or cause to be paid on behalf of Freddie Mac, the amounts due in respect of the Certificates, (v) prepare the “Certificateholder Report”, (vi) prepare and make available to the Trustee at the CUSIP level, information in respect of the Certificates necessary for Certificateholders to file their tax returns, (vii) prepare all REMIC tax returns and all information returns, including Schedule Q, (viii) invest funds in the Collection Account and Certificate Account as directed by, and for the benefit of, the Master Servicer or Trustee, as the case may be, (ix) make certain information available on its website as described herein and (x) be responsible for transmitting such data for the Trust to Bloomberg and Intex for external disclosure. Further, the Securities Administrator will hold the Book-Entry Certificates as custodian for DTC (for both U.S. and offshore depositories) pursuant to its agreement with DTC. The Trust will provide indemnification, subject to the Expenses Cap, to the Securities Administrator against any and all losses, liabilities, damages, claims, judgments, costs, fees, penalties, fines, forfeitures or other expenses (including reasonable legal fees and expenses) that may be imposed on, incurred by, or asserted against it in connection with, related to, or arising out of the Pooling and Servicing Agreement, the transactions contemplated thereby, or the Certificates, other than any loss, liability, damage, claim, judgment, cost, fee, penalty, fine, forfeiture or other expense (including reasonable legal fees and expenses) as a result of any willful misconduct, bad faith, fraud or negligence of the Securities Administrator in the performance of its obligations and duties under the Pooling and Servicing Agreement or the negligent disregard by the Securities Administrator of its duties and obligations thereunder.

PREPAYMENT AND YIELD CONSIDERATIONS

Realized Losses

The amount and timing of Realized Losses on the Mortgage Loans will affect the yield on the Certificates. To the extent that Realized Losses are allocated to a Class of Certificates, the Class Principal Amount of such Class of Certificates will be reduced, without any corresponding distribution of principal, by the amount of such Certificate Realized Losses. As described under "*Description of the Certificates — Principal — Reductions in Class Principal Amounts Due to Allocation of Realized Losses*", Realized Losses will be allocated to reduce the Class Principal Amounts of the Certificates in the following order of priority, *first*, to the Class B Certificates, *second*, to the Class M-2 Certificates, *third*, to the Class M-1 Certificates, and *fourth*, to the Class 1-A and Class 2-A Certificates as described under *"Description of the Certificates — Principal — Reductions in Class Principal Amounts Due to Allocation of Realized Losses"*. To the extent that Realized Losses are allocated to the Class 1-A or Class 2-A Certificates, the Guarantor is required to remit to the Trust Guarantor Principal Payments for distribution to the Class 1-A or Class 2-A Certificates, as applicable.

Realized Losses (including, but not limited to, Realized Losses resulting from modifications) can be caused by, but are not limited to, mortgagor mismanagement of credit and unforeseen events. See *"Description of the Certificates — Modifications and Expenses"*. The rate of delinquencies on refinance Mortgage Loans may be higher than for other types of Mortgage Loans. Furthermore, the rate and timing of any Realized Losses on the Mortgage Loans will be affected by the general economic condition of the region of the country in which the related mortgaged properties are located. See *"Risk Factors — Risks Relating to the Mortgage Loans — Geographic Concentration May Increase Risk of Losses Due to Adverse Economic Conditions or Natural Disasters"*. The risk of Realized Losses is greater and prepayments are less likely in regions where a weak or deteriorating economy exists, as may be evidenced by, among other factors, increasing unemployment or falling property values. The yield on any Class of Certificates and the rate and timing of Realized Losses on the Mortgage Loans may also be affected by servicing decisions by the applicable Underlying Servicer.

Prepayment Considerations and Risks

The rate of principal distributions on the Certificates and the yield to maturity (or to Optional Termination) of Certificates purchased at a price other than par are directly related to the rate and timing of payments of principal on the Mortgage Loans. The principal payments on the Mortgage Loans may be in the form of scheduled principal or unscheduled principal. Any unscheduled principal may result in distributions to an investor of amounts that would otherwise be distributed over the remaining term of the Mortgage Loans.

The rate at which Mortgage Loans in general prepay may be influenced by a number of factors, including general economic conditions, mortgage market interest rates, availability of mortgage funds, the value of the mortgaged property, solicitations, Underlying Servicer decisions and homeowner mobility.

- In general, if prevailing mortgage interest rates fall significantly below the mortgage rates on the Mortgage Loans, the Mortgage Loans are likely to prepay at higher rates than if prevailing mortgage interest rates remain at or above the mortgage rates on the Mortgage Loans.
- Conversely, if prevailing mortgage interest rates rise above the mortgage rates on the Mortgage Loans, the rate of prepayment would be expected to decrease.

The timing of changes in the rate of prepayments may significantly affect an investor's actual yield to maturity, even if the average rate of principal prepayments is consistent with an investor's expectations. In general, the earlier the payment of principal of the Mortgage Loans the greater the effect on an investor's yield to maturity. As a result, the effect on investors' yield due to principal prepayments occurring at a rate higher (or lower) than the rate investors anticipate during the period immediately following the issuance of the Certificates may not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments. Prospective investors should also consider the risk, in the case of a Certificate purchased at a discount that a slower than anticipated rate of payments in respect of principal (including prepayments) on the Mortgage Loans will have a negative effect on the yield to maturity of such Certificate. Prospective investors should also consider the risk, in

the case of a Certificate purchased at a premium, that a faster than anticipated rate of payments in respect of principal (including prepayments) on the Mortgage Loans will have a negative effect on the yield to maturity of such Certificate. Prospective investors must make decisions as to the appropriate prepayment assumptions to be used in deciding whether to purchase Certificates.

A mortgagor may make a full or partial prepayment on a Mortgage Loan at any time without paying a penalty. A mortgagor may fully prepay a Mortgage Loan for several reasons, including an early payoff, a sale of the related mortgaged property or a refinancing of the Mortgage Loan. A mortgagor who makes a partial prepayment of principal may request that the monthly principal and interest installments be recalculated, provided that the monthly payments are current. Any recalculation of payments must be documented by a modification agreement. The recalculated payments cannot result in an extended maturity date or a change in the interest rate. Modifications of any Mortgage Loan as a result of a prepayment, as described in the foregoing sentence, are not contemplated as a Breach Review Trigger and will not result in an Initial Review of such Mortgage Loans. In addition, the repurchase of a Mortgage Loan (or the payment of an indemnification payment in the case of a Liquidated Mortgage Loan) by the Seller has the same effect on the Mortgage Pool as a prepayment in full. As such, the rate and timing of repurchases (and any such indemnification payments) will also affect the yield on the Certificates.

Furthermore, to the extent any Realized Losses or Certificate Writedown Amounts are allocated to reduce the Class Principal Amount of the Class 1-A or Class 2-A Certificates, the Guarantor is required to make a Guarantor Principal Payment in respect of the related Principal Deficiency Amount. Any such Guarantor Principal Payments will have the same effect as principal prepayments on the Mortgage Loans distributed to Senior Certificates.

The Mortgage Loans include "due-on-sale" clauses, which allow the holder of such Mortgage Loans to demand payment in full of the remaining principal balance upon sale or certain transfers of the property securing such Mortgage Loan.

Assumptions Relating to Declining Balances Tables, Cumulative Realized Losses Table and Yield Tables

The tables on the following pages have been prepared on the basis of the following assumptions (the **"Modeling Assumptions"**):

(a) the Mortgage Loans have the characteristics shown in Appendix C;

(b) the initial Class Principal Amounts for the Certificates are as set forth in the tables on the cover page and page 6 and the Class Coupons are as set forth on the cover page and on page 6;

(c) the scheduled monthly payment for each Mortgage Loan is based on its outstanding principal balance, current mortgage rate and remaining term to maturity so that it will fully amortize in amounts sufficient for the repayment thereof over its remaining term to maturity;

(d) (i) in the Cumulative Realized Losses Table, the Mortgage Loans experience defaults at the indicated constant default rate (**"CDR"**) percentages and there is no lag between the related default and the application of any Realized Losses and (ii) with respect to the Declining Balances Tables and Yield Tables, the Mortgage Loans do not experience any Realized Losses;

(e) each monthly payment of scheduled principal and interest on the Mortgage Loans is timely received on the first day of each month beginning in August 2016 (except in the case of the Cumulative Realized Losses Table);

(f) principal prepayments in full on the Mortgage Loans are received, together with thirty (30) days' interest thereon, on the last day of each month beginning in July 2016;

(g) there are no partial principal prepayments on the Mortgage Loans;

(h) the Mortgage Loans prepay at the indicated constant prepayment rate (or **"CPR"**) percentages;

(i) no Mortgage Loans are purchased or removed from the Mortgage Pool and no Mortgage Loans are substituted for the Mortgage Loans included in the Mortgage Pool on the Closing Date;

(j) there are no modifications in connection with the Mortgage Loans;

(k) there is no Optional Termination (except in the case of "Weighted Average Life (years) to Optional Termination Date");

(l) the Certificates are issued on July 26, 2016;

(m) distributions on the Certificates are received on the twenty-fifth (25th) day of each month beginning in August 2016 as described under *"Description of The Certificates"*;

(n) the Master Servicing Fee Rate on the aggregate Stated Principal Balance of the Mortgage Loans is equal to 0.02% per annum, the Securities Administrator Fee Rate on the aggregate Stated Principal Balance of the Mortgage Loans is 0.028% per annum, the Trust Agent Fee Rate on the aggregate Stated Principal Balance of the Mortgage Loans is 0.0035% per annum, and the Servicing Fee Rate on the aggregate Stated Principal Balance of the Mortgage Loans is 0.25% per annum and other fees and Expenses are assumed to be zero;

(o) there are no Subsequent Recoveries related to the Mortgage Loans; and

(p) there are no delinquencies related to the Mortgage Loans.

Although the characteristics of the Mortgage Loans for the Declining Balances Tables, Cumulative Realized Losses Table and Yield Tables have been prepared on the basis of the weighted average characteristics of the Mortgage Loans which are expected to be in each Mortgage Pool, there is no assurance that the Modeling Assumptions will reflect the actual characteristics or performance of the Mortgage Loans or that the performance of the Certificates will conform to the results set forth in the tables.

Weighted Average Lives of the Certificates

Weighted average life of a Class of Certificates refers to the average amount of time that will elapse from the date of issuance of such Class of Certificates until its Class Principal Amount is reduced to zero. The weighted average lives of the Certificates will be influenced by, among other things, the rate at which principal of the Mortgage Loans is actually paid by the related mortgagor, which may be in the form of scheduled principal or unscheduled principal, the timing of changes in such rate of principal payments and the timing and rate of allocation of any Realized Losses, Certificate Writedown Amounts and Subsequent Recoveries to the Certificates. The interaction of the foregoing factors may have different effects on each Class of Certificates and the effects on any such Class may vary at different times during the life of such Class. Accordingly, no assurance can be given as to the weighted average life of any Class of Certificates.

Prepayments on mortgage loans are commonly measured relative to a constant prepayment standard or model. The model used in this Offering Circular for the Mortgage Loans is a CPR. CPR assumes that the outstanding principal balance of a pool of mortgage loans prepays at a specified constant annual rate. In projecting monthly cashflows, this annual rate is converted to an equivalent monthly rate.

CPR does not purport to be either a historical description of the prepayment experience of mortgage loans or a prediction of the anticipated rate of prepayment of any mortgage loans, including the Mortgage Loans. The percentages of CPR in the tables below do not purport to be historical correlations of relative prepayment experience of the Mortgage Loans or predictions of the anticipated relative rate of prepayment of the Mortgage Loans. Variations in the prepayment experience and the Stated Principal Balance of the Mortgage Loans that prepay may increase or decrease the percentages of initial Class Principal Amounts (and weighted average lives) shown in the Declining Balances Tables below. Such variations may occur even if the average prepayment experience of all such Mortgage Loans equals any of the specified percentages of CPR.

When a Mortgage Loan defaults and experiences a Realized Loss, it will incur a loss severity. The loss severity is calculated by dividing the Realized Loss by the Stated Principal Balance of the related Mortgage Loan at liquidation (the **"Loss Severity"**). A Loss Severity of 25% assumes that 25% of the Stated Principal Balance of the Mortgage Loan in default is not recovered at liquidation. Any Loss Severity assumption used herein does not purport to be a prediction of the anticipated Loss Severity on the Mortgage Loans. The rate and extent of Realized Losses experienced on the Mortgage Loans are likely to differ from those assumed and may differ

significantly. Further, it is unlikely the Mortgage Loans will incur Realized Losses at any specified Loss Severity rate.

It is unlikely that the Mortgage Loans will prepay or experience Realized Losses at any of the rates specified or times assumed or that Realized Losses will be incurred according to one particular pattern. The Cumulative Realized Losses Table below assumes a constant rate of Mortgage Loans incurring Realized Losses each month relative to the then outstanding Stated Principal Balance of the Mortgage Loans. The CDR does not purport to be a prediction of the anticipated rate of defaults on the Mortgage Loans. The rate and extent of actual defaults experienced on the Mortgage Loans are likely to differ from those assumed and may differ significantly. A rate of 1% CDR assumes defaults occur on Mortgage Loans at an annual rate of 1%, which remains in effect through the remaining lives of such Mortgage Loans. Further, it is unlikely the Mortgage Loans will default at any specified percentage of CDR.

The Declining Balances Tables, Cumulative Realized Losses Table and Yield Tables have been prepared on the basis of the Modeling Assumptions described above under "— *Assumptions Relating to Declining Balances Tables, Cumulative Realized Losses Table and Yield Tables*". There may be discrepancies between the characteristics of the actual Mortgage Loans included in the Mortgage Pool and the characteristics of the representative mortgage loans assumed in preparing the Declining Balances Tables, Cumulative Realized Losses Table and Yield Tables. Any such discrepancy may have an effect upon the percentages of initial Class Principal Amounts outstanding set forth in the Declining Balances Tables (and the weighted average lives of the Certificates set forth in the Declining Balances Tables). In addition, to the extent that the Mortgage Loans that actually are included in the Mortgage Pool have characteristics that differ from those assumed in preparing the following Declining Balances Tables, the Class Principal Amount of a Class of Certificates could be reduced to zero earlier or later than indicated by the applicable Declining Balances Table.

Furthermore, the information contained in the Declining Balances Tables with respect to the weighted average life of any Certificate is not necessarily indicative of the weighted average life of that Class of Certificates that might be calculated or projected under different or varying prepayment assumptions.

It is not likely that all of the Mortgage Loans will have the interest rates or remaining terms to maturity assumed or that the Mortgage Loans will prepay at the indicated CPR percentages. In addition, the diverse remaining terms to maturity of the Mortgage Loans could produce slower or faster reductions of the Class Principal Amounts than indicated in the Declining Balances Tables at the various CPR percentages specified.

Declining Balances Tables

Based upon the Modeling Assumptions, the following Declining Balances Tables indicate the projected weighted average lives of each Class of Certificates and sets forth the percentages of the initial Class Principal Amount of each Class that would be outstanding after each of the dates shown at various CPR percentages.

Percentages of Initial Class Principal Amounts and Weighted Average Lives

	Class 1-A							
	CPR Prepayment Assumption							
Date	5%	10%	15%	20%	25%	30%	35%	40%
Closing Date	100	100	100	100	100	100	100	100
July 25, 2017	93	88	83	79	74	69	64	59
July 25, 2018	87	78	70	62	54	47	41	35
July 25, 2019	81	69	58	48	40	32	26	20
July 25, 2020	75	61	48	38	29	22	16	12
July 25, 2021	70	53	40	30	21	15	10	7
July 25, 2022	65	47	33	23	16	10	6	4
July 25, 2023	60	41	27	18	11	7	4	2
July 25, 2024	55	36	23	14	8	4	2	1
July 25, 2025	51	31	19	11	6	3	1	*
July 25, 2026	47	27	15	8	4	2	*	0
July 25, 2027	43	24	13	6	3	1	0	0
July 25, 2028	39	20	10	5	2	*	0	0
July 25, 2029	36	18	8	3	1	0	0	0
July 25, 2030	32	15	6	2	*	0	0	0
July 25, 2031	29	13	5	2	*	0	0	0
July 25, 2032	26	11	4	1	0	0	0	0
July 25, 2033	24	9	3	1	0	0	0	0
July 25, 2034	21	8	2	*	0	0	0	0
July 25, 2035	19	6	2	0	0	0	0	0
July 25, 2036	16	5	1	0	0	0	0	0
July 25, 2037	14	4	1	0	0	0	0	0
July 25, 2038	12	3	*	0	0	0	0	0
July 25, 2039	10	2	*	0	0	0	0	0
July 25, 2040	8	2	0	0	0	0	0	0
July 25, 2041	6	1	0	0	0	0	0	0
July 25, 2042	5	1	0	0	0	0	0	0
July 25, 2043	3	*	0	0	0	0	0	0
July 25, 2044	1	0	0	0	0	0	0	0
July 25, 2045	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Final Scheduled Distribution Date	10.82	7.26	5.24	4.01	3.20	2.63	2.21	1.88
Weighted Average Life (years) to Optional Termination Date**	10.82	7.26	5.24	4.01	3.20	2.63	2.21	1.88

* Indicates a value greater than zero but less than 0.5%.
** Based on assumption that the Optional Termination Date occurs on the first eligible Distribution Date.

Date	Class 2-A							
	CPR Prepayment Assumption							
	5%	10%	15%	20%	25%	30%	35%	40%
Closing Date	100	100	100	100	100	100	100	100
July 25, 2017	93	88	84	79	74	69	64	59
July 25, 2018	87	78	70	62	54	47	41	35
July 25, 2019	81	69	58	48	40	32	26	20
July 25, 2020	75	61	48	38	29	22	17	12
July 25, 2021	70	54	40	30	22	15	10	7
July 25, 2022	65	47	33	23	16	10	6	4
July 25, 2023	60	41	28	18	11	7	4	2
July 25, 2024	56	36	23	14	8	4	2	1
July 25, 2025	51	32	19	11	6	3	1	*
July 25, 2026	47	28	16	8	4	2	*	0
July 25, 2027	43	24	13	6	3	1	0	0
July 25, 2028	40	21	10	5	2	*	0	0
July 25, 2029	36	18	8	3	1	0	0	0
July 25, 2030	33	15	7	2	*	0	0	0
July 25, 2031	30	13	5	2	*	0	0	0
July 25, 2032	27	11	4	1	0	0	0	0
July 25, 2033	24	9	3	1	0	0	0	0
July 25, 2034	22	8	2	*	0	0	0	0
July 25, 2035	19	6	2	0	0	0	0	0
July 25, 2036	17	5	1	0	0	0	0	0
July 25, 2037	14	4	1	0	0	0	0	0
July 25, 2038	12	3	*	0	0	0	0	0
July 25, 2039	10	2	*	0	0	0	0	0
July 25, 2040	8	2	0	0	0	0	0	0
July 25, 2041	6	1	0	0	0	0	0	0
July 25, 2042	5	1	0	0	0	0	0	0
July 25, 2043	3	*	0	0	0	0	0	0
July 25, 2044	1	0	0	0	0	0	0	0
July 25, 2045	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Final Scheduled Distribution Date	10.92	7.31	5.27	4.03	3.21	2.64	2.21	1.89
Weighted Average Life (years) to Optional Termination Date**	10.91	7.31	5.27	4.03	3.21	2.64	2.21	1.89

* Indicates a value greater than zero but less than 0.5%.
** Based on assumption that the Optional Termination Date occurs on the first eligible Distribution Date.

Yield Considerations with Respect to the Certificates

The weighted average life of, and the yield to maturity on, the Offered Certificates will be sensitive to the rate and timing of prepayments and Realized Losses on the Mortgage Loans. If the actual rate of Realized Losses on the Mortgage Loans is higher than those assumed by prospective investors, the actual yield to maturity of a Certificate may be lower than the expected yield. The timing of prepayments and Realized Losses on Mortgage Loans may also affect prospective investors' actual yield to maturity, even if the rate of Realized Losses is consistent with prospective investors' expectations.

Cumulative Realized Losses Table

Based upon the Modeling Assumptions, the following Cumulative Realized Losses Table indicates the projected cumulative Realized Losses as a percentage of the aggregate Stated Principal Balance as of the Cut-Off Date shown at various CPR percentages and CDR percentages.

Cumulative Realized Losses (as % of Aggregate Cut-Off Date Balance)

CDR	Loss Severity Percentage	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	40% CPR
0.10%	25%	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
0.25%	25%	0.7%	0.5%	0.3%	0.3%	0.2%	0.2%	0.1%	0.1%
0.50%	25%	1.3%	0.9%	0.7%	0.5%	0.4%	0.3%	0.3%	0.2%
0.75%	25%	1.9%	1.3%	1.0%	0.7%	0.6%	0.5%	0.4%	0.4%
1.00%	25%	2.5%	1.7%	1.3%	1.0%	0.8%	0.7%	0.6%	0.5%
1.50%	25%	3.6%	2.5%	1.9%	1.5%	1.2%	1.0%	0.8%	0.7%
2.00%	25%	4.7%	3.3%	2.4%	1.9%	1.6%	1.3%	1.1%	0.9%
2.50%	25%	5.7%	4.0%	3.0%	2.4%	1.9%	1.6%	1.4%	1.2%
3.00%	25%	6.6%	4.7%	3.5%	2.8%	2.3%	1.9%	1.6%	1.4%

Yield Tables

Based upon the Modeling Assumptions, the following tables show pre-tax yields to maturity (corporate bond equivalent) of the Certificates at various CPR percentages and assumed prices.

Class 1-A Pre-Tax Yield to Maturity

Prices	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	40% CPR
100.6250%	2.92%	2.88%	2.84%	2.79%	2.74%	2.68%	2.62%	2.56%
100.8750%	2.89%	2.84%	2.78%	2.72%	2.65%	2.58%	2.50%	2.42%
101.1250%	2.86%	2.80%	2.73%	2.65%	2.57%	2.48%	2.38%	2.28%
101.3750%	2.84%	2.76%	2.68%	2.58%	2.48%	2.38%	2.26%	2.14%
101.6250%	2.81%	2.72%	2.62%	2.52%	2.40%	2.28%	2.15%	2.00%
101.8750%	2.78%	2.68%	2.57%	2.45%	2.32%	2.18%	2.03%	1.87%
102.1250%	2.75%	2.64%	2.52%	2.38%	2.24%	2.08%	1.91%	1.73%
102.3750%	2.72%	2.60%	2.46%	2.31%	2.15%	1.98%	1.80%	1.60%
102.6250%	2.69%	2.56%	2.41%	2.25%	2.07%	1.88%	1.68%	1.47%

Class 2-A Pre-Tax Yield to Maturity

Prices	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	40% CPR
101.6875%	3.30%	3.20%	3.10%	2.99%	2.87%	2.74%	2.60%	2.45%
101.9375%	3.27%	3.16%	3.05%	2.92%	2.78%	2.64%	2.48%	2.31%
102.1875%	3.24%	3.12%	2.99%	2.85%	2.70%	2.54%	2.36%	2.18%
102.4375%	3.21%	3.08%	2.94%	2.78%	2.62%	2.44%	2.25%	2.04%
102.6875%	3.18%	3.04%	2.89%	2.72%	2.53%	2.34%	2.13%	1.91%
102.9375%	3.15%	3.00%	2.83%	2.65%	2.45%	2.24%	2.02%	1.77%
103.1875%	3.12%	2.96%	2.78%	2.58%	2.37%	2.14%	1.90%	1.64%
103.4375%	3.09%	2.92%	2.73%	2.52%	2.29%	2.05%	1.79%	1.51%
103.6875%	3.06%	2.88%	2.68%	2.45%	2.21%	1.95%	1.67%	1.38%

Prospective investors should make investment decisions based on determinations of anticipated rates of prepayments and Realized Losses under a variety of scenarios. Prospective investors should fully consider the risk that the occurrence of Realized Losses on the Mortgage Loans could result in the failure to fully recover investments.

USE OF PROCEEDS

The net proceeds from sales of the Certificates will be used as the consideration to Freddie Mac for the transfer of the Mortgage Loans to the Trust.

CERTAIN LEGAL ASPECTS OF THE MORTGAGE LOANS

The following discussion provides general summaries of certain legal aspects of mortgage loans which are general in nature. The summaries do not purport to be complete. They do not reflect the laws of any particular state nor the laws of all states in which the mortgaged properties may be situated. This is because these legal aspects are governed in part by the law of the state that applies to a particular mortgaged property and the laws of the states may vary substantially. You should refer to the applicable federal and state laws governing the Mortgage Loans.

Security Instruments

Mortgages and Deeds of Trust. Mortgage loans are evidenced by promissory notes or other similar evidences of indebtedness secured by first mortgages, deeds of trust or similar security instruments (each, a **"mortgage"**), depending upon the prevailing practice and law in the state in which the related mortgaged property is located, on residential properties consisting of one- to four-unit dwelling units, townhouses, individual condominium units, individual units in planned unit developments, individual co-operative units or manufactured homes. Each mortgage note and related mortgage loan are obligations of one or more mortgagors and require the related mortgagor to make monthly payments of principal and interest. In some states, a mortgage or deed of trust creates a lien upon the real property encumbered by the mortgage or deed of trust. However, in other states, the mortgage or deed of trust conveys legal title to the property, respectively, to the mortgagee or to a trustee for the benefit of the mortgagee subject to a condition subsequent (*i.e.*, the payment of the indebtedness secured thereby). The lien created by the mortgage or deed of trust is not prior to the lien for real estate taxes and assessments and other charges imposed under governmental police powers. Priority between mortgages depends on their terms or on the terms of separate subordination or inter-creditor agreements, on the knowledge of the parties in some cases and generally on the order of recordation of the mortgages in the appropriate recording office. There are two parties to a mortgage, the mortgagor, who is homeowner, and the mortgagee, who is the lender. In the case of a land trust, there are three parties because title to the property is held by a land trustee under a land trust agreement of which the mortgagor is the beneficiary; at origination of a mortgage loan, the mortgagor executes a separate undertaking to make payments on the mortgage note. Although a deed of trust is similar to a mortgage, a deed of trust has three parties: the trustor, who is the mortgagor-homeowner; the beneficiary, who is the lender; and a third-party grantee called the trustee. Under a deed of trust, the mortgagor grants the property, irrevocably until the debt is paid, in trust, generally with a power of sale, to the trustee to secure payment of the obligation. The trustee's authority under a deed of trust, the grantee's authority under a deed to secure debt and the mortgagee's authority under a mortgage are governed by the law of the state in which the real property is located, the express provisions of the deed of trust or mortgage, and, in deed of trust transactions, the directions of the beneficiary.

Foreclosure

Foreclosing Mortgages and Deeds of Trust. Foreclosure of a deed of trust in most states is generally most efficiently accomplished by a non-judicial trustee's sale under a specific provision in the deed of trust which authorizes the trustee to sell the property upon any default by the mortgagor under the terms of the note or deed of trust. In addition to any notice requirements contained in a deed of trust, in some states the trustee must record a notice of default and send a copy to the trustor and to any person who has recorded a request for a copy of notice of default and notice of sale. In addition, the trustee must provide notice in some states to any other individual having an interest of record in the real property, including any junior lienholders. If the deed of trust is not reinstated within a specified period, a notice of sale must be posted in a public place and, in most states, published for a specific period of time in one or more newspapers in a specified manner prior to the date of trustee's sale. In addition, some state laws require that a copy of the notice of sale be posted on the property and sent to all parties having an interest of record in the real property.

In some states, the trustor has the right to reinstate the loan at any time following default until shortly before the trustee's sale. Generally in these states, the mortgagor, or any other person having a junior encumbrance on the real estate, may, during a reinstatement period, cure the default by paying the entire amount in arrears plus the costs and expenses incurred in enforcing the obligation.

Generally, the action is initiated by the service of legal pleadings upon all parties having an interest of record in the real property. Delays in completion of the foreclosure may occasionally result from difficulties in locating necessary parties. Over the past few years, judicial foreclosure proceedings have become increasingly contested, with challenges often raised to the right of the foreclosing party to maintain the foreclosure action. The resolution of these proceedings can be time-consuming.

In the case of foreclosure under either a mortgage or a deed of trust, the sale by the sheriff or other designated officer or by the trustee is a public sale. The proceeds received by the referee or trustee from the sale are applied first to the costs, fees and expenses of the sale and then in satisfaction of the indebtedness secured by the mortgage or deed of trust under which the sale was conducted. Any remaining proceeds are generally payable to the holders of junior mortgages or deeds of trust and other liens and claims in order of their priority, whether or not the mortgagor is in default under such instruments. Any additional proceeds are generally payable to the mortgagor or trustor. The payment of the proceeds to the holders of junior mortgages may occur in the foreclosure action of the senior mortgagee or may require the institution of separate legal proceedings. It is common for the lender to purchase the property from the trustee, sheriff or other designated officer for a credit bid less than or equal to the unpaid principal amount of the note plus the accrued and unpaid interest and fees due under the note and the expense of foreclosure. If the credit bid is equal to, or more than, the mortgagor's obligations on the loan, the mortgagor's debt will be extinguished. However, if the lender purchases the property for an amount less than the total amount owed to the lender, it preserves its right against a mortgagor to seek a deficiency judgment if such a remedy is available under state law and the related loan documents, in which case the mortgagor's obligation will continue to the extent of the deficiency. Regardless of the purchase price paid by the foreclosing lender, the lender will be responsible to pay the costs, fees and expenses of the sale, which sums are generally added to the mortgagor's indebtedness. In some states, there is a statutory minimum purchase price which the lender must offer for the property and generally, state law controls the maximum amount of foreclosure costs and expenses, including attorneys' fees, which may be recovered by a lender. Thereafter, subject to the right of the mortgagor in some states to remain in possession during any redemption period, the lender will assume the burdens of ownership, including obtaining hazard insurance, paying taxes and making the repairs at its own expense as are necessary to render the property suitable for sale. Generally, the lender will obtain the services of a real estate broker and pay the broker's commission in connection with the subsequent sale of the property. Depending upon market conditions, the ultimate proceeds of the sale of the property may not equal the lender's investment in the loan and, as described above, in some states, the lender may be entitled to a deficiency judgment. Any such loss in connection with a Mortgage Loan will be treated as a Realized Loss experienced on such Mortgage Loan.

Foreclosure proceedings are governed by general equitable principles. Some of these equitable principles are designed to relieve the mortgagor from the legal effect of its defaults under the loan documents. Examples of judicial remedies that have been fashioned include judicial requirements that the lender undertake affirmative and expensive actions to determine the causes for the mortgagor's default and the likelihood that the mortgagor will be able to reinstate the loan. In some cases, courts have substituted their judgment for the lender's judgment and have required that lenders reinstate loans or recast payment schedules in order to accommodate mortgagors who are suffering from temporary financial disability. In other cases, courts have limited the right of the lender to foreclose if the default under the mortgage instrument is not monetary, such as the mortgagor's failure to adequately maintain the property or the mortgagor's execution of a second mortgage or deed of trust affecting the property. Finally, some courts have been faced with the issue of whether or not federal or state constitutional provisions reflecting due process concerns for adequate notice require that mortgagors under deeds of trust or mortgages receive notices in addition to the statutorily-prescribed minimums. For the most part, these cases have upheld the notice provisions as being reasonable or have found that the sale by a trustee under a deed of trust, or under a mortgage having a power of sale, does not involve sufficient state action to afford constitutional protection to the mortgagor.

Under certain loan modification programs, to the extent a servicer is considering qualifying the related mortgagor for a loan modification after foreclosure proceedings have already been initiated, the foreclosure proceedings must be halted until the servicer has determined whether the mortgagor has qualified for the loan modification. This is a requirement under the Guide and became part of the CFPB's regulatory amendments that became effective for all mortgage servicers on January 10, 2014. In all cases the Underlying Servicers of the

Mortgage Loans will be required to service the Mortgage Loans in accordance with applicable law, including the CFPB servicing regulations.

In response to an unusually large number of foreclosures in recent years, a growing number of states have enacted laws that subject the holder to certain notice and/or waiting periods prior to commencing a foreclosure. For example, in Massachusetts, the Attorney General's Office may review and possibly terminate the foreclosure of any 1-4 family residential mortgage that is secured by the mortgagor's principal dwelling. In some instances, these laws require the servicer of the mortgage to consider modification of the mortgage or an alternative option prior to proceeding with foreclosure. The effect of these laws has been to delay foreclosure in particular jurisdictions.

The Mortgages or the "Assignments of Mortgage" for some of the Mortgage Loans may have been recorded in the name of Mortgage Electronic Registration Systems, Inc. (**"MERS"**), solely as nominee for the originator and its successors and assigns. Subsequent assignments of those Mortgages are registered electronically through the MERS system. The recording of mortgages in the name of MERS has been challenged in a number of states. Although many decisions have accepted MERS as mortgagee, some courts have held that MERS is not a proper party to conduct a foreclosure and have required that the mortgage be reassigned to the entity that is the economic owner of the mortgage loan before a foreclosure can be conducted. In states where such a rule is in effect, there may be delays and additional costs in commencing, prosecuting and completing foreclosure proceedings and conducting foreclosure sales of mortgaged properties. In addition, mortgagors are raising new challenges to the recording of mortgages in the name of MERS, including challenges questioning the ownership and enforceability of mortgage loans registered in MERS. An adverse decision in any jurisdiction may delay the foreclosure process.

With respect to any mortgage loans registered on the MERS system, the servicer will comply with all of the requirements of MERS regarding instituting foreclosure proceedings. In addition, mortgage loans registered in the MERS system will be required to be removed from the MERS system by the servicer upon 90 days of delinquency.

With respect to any Mortgage Loan registered on the MERS system, the Master Servicer will be required to cause such registered Mortgage Loan to be updated to reflect the ownership of such Mortgage Loan by the Trust.

Rights of Redemption

The purpose of a foreclosure action in respect of a mortgaged property is to enable the lender to realize upon its security and to bar the mortgagor, and all persons who have interests in the property that are subordinate to that of the foreclosing lender, from exercise of their "equity of redemption." The doctrine of equity of redemption provides that, until the property encumbered by a mortgage has been sold in accordance with a properly conducted foreclosure and foreclosure sale, those having interests that are subordinate to that of the foreclosing lender have an equity of redemption and may redeem the property by paying the entire debt with interest. Those having an equity of redemption must generally be made parties and joined in the foreclosure proceeding and provided statutorily prescribed notice, in the case of a non-judicial foreclosure, in order for their equity of redemption to be terminated.

The equity of redemption is a common-law (non-statutory) right which should be distinguished from post-sale statutory rights of redemption. In some states, after sale pursuant to a deed of trust or foreclosure of a mortgage, the mortgagor and foreclosed junior lienors are given a statutory period in which to redeem the property. In some states, statutory redemption may occur only upon payment of the foreclosure sale price. In other states, redemption may be permitted if the former mortgagor pays only a portion of the sums due. The effect of a statutory right of redemption is to diminish the ability of the lender to sell the foreclosed property because the exercise of a right of redemption would defeat the title of any purchase through a foreclosure. Consequently, the practical effect of the redemption right is to force the lender to maintain the property and pay the expenses of ownership until the redemption period has expired. In some states, a post-sale statutory right of redemption may exist following a judicial foreclosure, but not following a trustee's sale under a deed of trust.

Anti-Deficiency Legislation and Other Limitations on Lenders

Some states have imposed statutory prohibitions which limit the remedies of a beneficiary under a deed of trust or a mortgagee under a mortgage. In some states (including California), statutes limit the right of the beneficiary or mortgagee to obtain a deficiency judgment against the mortgagor following non-judicial foreclosure by power of sale. A deficiency judgment is a personal judgment against the former mortgagor equal in most cases to the difference between the net amount realized upon the public sale of the real property and the amount due to the lender. In the case of a mortgage loan secured by a property owned by a trust where the mortgage note is executed on behalf of the trust, a deficiency judgment against the trust following foreclosure or sale under a deed of trust, even if obtainable under applicable law, may be of little value to the mortgagee or beneficiary if there are no trust assets against which the deficiency judgment may be executed. Some state statutes require the beneficiary or mortgagee to exhaust the security afforded under a deed of trust or mortgage by foreclosure in an attempt to satisfy the full debt before bringing a personal action against the mortgagor. In other states, the lender has the option of bringing a personal action against the mortgagor on the debt without first exhausting the security; however, in some of these states, the lender, following judgment on the personal action, may be deemed to have elected a remedy and may be precluded from exercising other remedies, including with respect to the security. Consequently, the practical effect of the election requirement, in those states permitting the election, is that lenders will usually proceed against the security first rather than bringing a personal action against the mortgagor. This also allows the lender to avoid the delays and costs associated with going to court. Finally, in some states, statutory provisions limit any deficiency judgment against the former mortgagor following a foreclosure to the excess of the outstanding debt over the fair value of the property at the time of the public sale. The purpose of these statutes is generally to prevent a beneficiary or mortgagee from obtaining a large deficiency judgment against the former mortgagor as a result of low or no bids at the foreclosure sale.

In addition to laws limiting or prohibiting deficiency judgments, numerous other federal and state statutory provisions, including the federal bankruptcy laws and state laws affording relief to debtors, may interfere with or affect the ability of the secured mortgage lender to realize upon collateral or enforce a deficiency judgment. For example, under the United States Bankruptcy Code, virtually all actions (including foreclosure actions and deficiency judgment proceedings) to collect a debt are automatically stayed upon the filing of the bankruptcy petition and, often, no interest or principal payments are made during the course of the bankruptcy case. The delay and the consequences thereof caused by the automatic stay can be significant. Also, under the United States Bankruptcy Code, the filing of a petition in a bankruptcy by or on behalf of a junior lienor may stay the senior lender from taking action to foreclose out the junior lien. Moreover, with respect to federal bankruptcy law, a court with federal bankruptcy jurisdiction may permit a debtor through his or her Chapter 11 or Chapter 13 rehabilitative plan to cure a monetary default in respect of a mortgage loan on a debtor's residence by paying arrearage within a reasonable time period and reinstating the original mortgage loan payment schedule even though the lender accelerated the mortgage loan and final judgment of foreclosure had been entered in state court (provided no sale of the residence had yet occurred) prior to the filing of the debtor's petition. Some courts with federal bankruptcy jurisdiction have approved plans, based on the particular facts of the reorganization case, that effected the curing of a mortgage loan default by paying arrearage over a number of years.

Courts with federal bankruptcy jurisdiction have also indicated that the terms of a mortgage loan secured by property of the debtor may be modified. These courts have allowed modifications that include reducing the amount of each monthly payment, changing the rate of interest, altering the repayment schedule, forgiving all or a portion of the debt and reducing the lender's security interest to the value of the residence, thus leaving the lender a general unsecured creditor for the difference between the value of the residence and the outstanding balance of the loan. Generally, however, the terms of a mortgage loan secured only by a mortgage on real property that is the debtor's principal residence may not be modified pursuant to a plan confirmed pursuant to Chapter 13 except with respect to mortgage payment arrearages, which may be cured within a reasonable time period.

Tax liens arising under the Code may have priority over the lien of a mortgage or deed of trust. In addition, substantive requirements are imposed upon mortgage lenders in connection with the origination and the servicing of mortgage loans by numerous federal and some state consumer protection laws and their implementing regulations. These laws and regulations include the federal Truth-in-Lending Act and Regulation Z, the Real Estate Settlement Procedures Act and Regulation X, the Equal Credit Opportunity Act and Regulation B, the Fair

Credit Billing Act and Regulation Z, the Fair Credit Reporting Act and Regulation V and related statutes. These federal laws impose specific statutory liabilities upon lenders who originate mortgage loans and who fail to comply with the provisions of the law. Further, violations of the laws could result in a mortgagor's defense to foreclosure or an unwinding or rescission of the transaction. In some cases, this liability may affect assignees of the mortgage loans.

Environmental Legislation

Under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (**"CERCLA"**), and under state law in some states, a secured party that participates in managing a mortgaged property, takes a deed-in-lieu of foreclosure, purchases a mortgaged property at a foreclosure sale or operates a mortgaged property may become liable for the costs of cleaning up hazardous substances regardless of whether the secured party has contaminated the property. CERCLA imposes strict, as well as joint and several, liability on several classes of potentially responsible parties, including current owners and operators of the property who did not cause or contribute to the contamination. Furthermore, liability under CERCLA is not limited to the original or unamortized principal balance of a loan or to the value of the property securing a loan. Such excess cleanup liabilities could become the responsibility of an Underlying Servicer and could reduce the assets available to make distributions to Certificateholders. Lenders may be held liable under CERCLA as owners or operators unless they qualify for the secured creditor exemption to CERCLA. This exemption exempts from the definition of owners and operators those who, without participating in the management of a facility, hold indicia of ownership primarily to protect a security interest in the facility.

The Asset Conservation, Lender Liability and Deposit Insurance Act of 1996 (the **"Conservation Act"**) amended, among other things, the provisions of CERCLA with respect to lender liability and the secured creditor exemption. The Conservation Act offers substantial protection to lenders by defining the activities in which a lender can engage and still have the benefit of the secured creditor exemption. In order for a lender to be deemed to have participated in the management of a mortgaged property, the lender must participate in the operational affairs of the property of the mortgagor, whether directly or indirectly. The Conservation Act provides that "merely having the capacity to influence, or unexercised right to control" operations does not constitute participation in management. A lender will lose the protection of the secured creditor exemption only if it exercises decision-making control over the mortgagor's environmental compliance and hazardous substance handling and disposal practices, assumes day-to-day management of all operational functions of the mortgaged property, or imposes limitations on a mortgagor's spending for such purposes. The Conservation Act also provides that a lender will continue to have the benefit of the secured creditor exemption even if it forecloses on a mortgaged property, purchases it at a foreclosure sale or accepts a deed-in-lieu of foreclosure provided that the lender seeks to sell the mortgaged property at the earliest practicable commercially reasonable time on commercially reasonable terms and complies with other requirements.

Other federal and state laws may impose liability on a secured party that takes a deed-in-lieu of foreclosure, purchases a mortgaged property at a foreclosure sale, or operates a mortgaged property on which contaminants other than CERCLA hazardous substances are present, including petroleum, agricultural chemicals, asbestos, radon, and lead-based paint. The cleanup costs may be substantial. It is possible that the cleanup costs could become a liability of the Trust and reduce the amounts otherwise payable to the Certificateholders. Moreover, federal and state statutes may impose a lien for any cleanup costs incurred by the state on the property that is the subject of the cleanup costs. All subsequent liens on the property generally are subordinated to the lien and, in some states, even prior recorded liens are subordinated to such lien. In the latter states, the security interest of the Trustee in a related parcel of real property that is subject to the lien could be adversely affected.

Traditionally, many residential mortgage lenders have not taken steps to evaluate whether contaminants are present with respect to any mortgaged property prior to the origination of the mortgage loan or prior to foreclosure or accepting a deed-in-lieu of foreclosure. Accordingly, none of the originators nor any other party has made the evaluations prior to the origination of the related Mortgage Loan. The Master Servicer will not be required by the Pooling and Servicing Agreement to undertake, or cause the Underlying Servicers to undertake, these evaluations prior to foreclosure or accepting a deed-in-lieu of foreclosure. There are limited representations with respect to environmental issues related to the Mortgage Loans which have been made by the Seller and attached hereto as Appendix E. No party other than the Seller has made any representations or warranties or

assumes any liability with respect to the absence or effect of contaminants on any related real property or any casualty, personal injury or other liability resulting from the presence or effect of contaminants. However, an Underlying Servicer will not be obligated to foreclose on related real property or accept a deed-in-lieu of foreclosure if it knows or reasonably believes that there are material contaminated conditions on the property. A failure to foreclose may reduce the amounts otherwise available to Certificateholders.

Consumer Protection Laws

In addition, substantive requirements are imposed upon mortgage lenders in connection with the origination and the servicing of mortgage loans by numerous federal and some state consumer protection laws. These laws include TILA, the Real Estate Settlement Procedures Act, TRID, the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit Reporting Act and related statutes and regulations promulgated thereunder. These federal laws impose specific statutory liabilities upon lenders who originate mortgage loans and who fail to comply with the provisions of the law. In some cases, this liability may affect assignees of the mortgage loans. In particular, an originator's failure to comply with certain requirements of TILA and Regulation Z promulgated thereunder, could subject both originators and assignees of such obligations to monetary penalties and could result in obligors' rescinding the mortgage loans either against the originators or assignees or in a defense to foreclosure of the loan. Further, the failure of the mortgagor to use the correct form of notice of right to cancel in connection with non-purchase money transactions could subject the originator and assignees to extended mortgagor rescission rights.

The CFPB issued another significant rule under the Dodd-Frank Act (the **"ATR Rule"**) which also became effective January 10, 2014, and which amends Regulation Z to require that creditors make a good faith determination that a consumer will have a reasonable ability to repay a residential mortgage loan according to its terms. The ATR Rule generally sets forth eight underwriting factors that creditors must use in making this determination. However, the ATR Rule also provides that if creditors make a special type of loan, known as a "qualified mortgage" as defined in the ATR Rule, the creditor will be presumed to have met the general ATR requirement. Qualified mortgages with annual percentage rates under certain thresholds qualify for a safe harbor from liability under the ATR Rule, while qualified mortgages with annual percentage rates that exceed those thresholds will only have a rebuttable presumption of compliance with the ATR Rule. TILA and the ATR Rule impose specific statutory liabilities upon creditors and certain assignees who fail to comply with the ATR Rule, including: (1) actual damages; (2) specified statutory damages; (3) attorneys fees and costs; and (4) closing costs and up to 3 years' worth of finance charges, which may affect assignees of such loans.

Federal and State Anti-Predatory Lending Laws and Restrictions on Servicing

Under the anti-predatory lending laws of some states, the mortgagor is required to meet a net tangible benefits test in connection with the origination of the mortgage loan. This test may be highly subjective and open to interpretation. As a result, a court may determine that a mortgage loan does not meet the test even if the originator reasonably believed that the test was satisfied. Any determination by a court that the Mortgage Loan does not meet the test will result in a violation of the state anti-predatory lending law, in which case the Seller will be required to purchase that Mortgage Loan from the Trust.

Notably, in rules promulgated under the Dodd-Frank Act by the CFPB, effective with respect to applications for loans taken on or after January 10, 2014, the thresholds for coverage under HOEPA, the primary anti-predatory lending law, have been lowered and that statute has become more stringent. State laws that replicate HOEPA have also become more onerous in their respective requirements.

Local, state and federal legislatures, state and federal banking regulatory agencies, state attorneys general offices, the Federal Trade Commission, the Department of Justice, the Department of Housing and Urban Development and state and local governmental authorities have continued to focus on lending and servicing practices by some companies, primarily in the non-prime lending industry, sometimes referred to as "predatory lending" and "abusive servicing" practices. Sanctions have been imposed by various agencies for practices such as charging excessive fees, imposing higher interest rates than the credit risk of some mortgagors warrant, failing to disclose adequately the material terms of loans to mortgagors and abrasive servicing and collections practices.

On July 21, 2010, the Dodd-Frank Act was signed into law. The Dodd-Frank Act, which is designed to improve accountability and transparency in the financial system and to protect consumers from abusive financial services practices, creates various new requirements affecting mortgage servicers, including mandatory escrow accounts for certain mortgage loans; notice requirements for consumers who waive escrow services; certain prohibitions related to mortgage servicing with respect to force-placed hazard insurance, qualified written requests, requests to correct certain servicing errors, and requests concerning the identity and contact information for an owner or assignee of a loan; requirements for prompt crediting of payments, processing of payoff statements, and monthly statements with certain disclosures for adjustable rate mortgage loans; and late fee restrictions on high cost loans. In addition, a new executive agency and consumer financial regulator, the CFPB, was established in the Federal Reserve System under the Dodd-Frank Act. On July 21, 2011, the regulation of the offering and provision of consumer financial products or services, including mortgage servicing, under federal consumer financial laws, was generally transferred and consolidated into the CFPB.

The Dodd-Frank Act sets forth certain objectives for and the functions of the CFPB. The objectives of the CFPB, as identified under the Dodd-Frank Act, are to ensure that: (1) consumers are provided with timely and understandable information to make responsible decisions about financial transactions; (2) consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination; (3) outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens; (4) federal consumer financial law is enforced consistently, without regard to the status of a person as a depository institution, in order to promote fair competition; and (5) markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation. The primary functions of the CFPB under the Dodd-Frank Act are: (1) conducting financial education programs; (2) collecting, investigating, and responding to consumer complaints; (3) collecting, researching, monitoring, and publishing information relevant to the functioning of markets for consumer financial products and services to identify risks to consumers and the proper functioning of such markets; (4) subject to certain sections of the Dodd-Frank Act, supervising covered persons for compliance with federal consumer financial law, and taking appropriate enforcement action to address violations of federal consumer financial law; (5) issuing rules, orders, and guidance implementing federal consumer financial law; and (6) performing such support activities as may be necessary or useful to facilitate the other functions of the CFPB.

Several federal, state and local laws, rules and regulations have been adopted, or are under consideration, that are intended to protect consumers from predatory lending and abusive servicing practices, and in some instances establish or propose a servicing standard and duty of care for mortgage servicers. On January 4, 2011, the CFPB implementation team entered into an information sharing memorandum of understanding with the Conference of State Bank Supervisors to promote state and federal cooperation and consistent examination procedures among regulators of providers of consumer financial products and services, including mortgage servicers.

Further, in a rule that became effective on April 1, 2011 under Regulation Z and future rule-making under the Dodd-Frank Act, sweeping changes with respect to permissible and prohibited loan originator compensation were implemented that prohibit loan originator compensation based on loan terms or conditions (other than the amount of the principal), dual compensation of loan originators and various loan steering activities.

In 2008, Congress enacted The Mortgage Disclosure Improvement Act of 2008 (the **"MDIA"**), which requires creditors to furnish early TILA disclosures for all closed-end mortgage transactions that are secured by a consumer's dwelling, including loans secured by primary, secondary or vacation homes, and regardless of whether the loans are for purchase money or non-purchase money transactions. While the early TILA disclosure must still be given within three Business Days of application, the MDIA and MDIA rule now require that the early TILA disclosure be provided at least seven Business Days prior to consummation of the transaction. Further, if the disclosed annual percentage rate exceeds certain tolerances as set forth in TILA and Regulation Z, the creditor must provide corrected disclosures disclosing an accurate annual percentage rate and all changed terms no later than 3 Business Days before consummation. Significantly, this means that multiple early TILA disclosures may be required.

In addition, the Federal Reserve Board adopted an amendment to Regulation Z on July 14, 2008 (the **"July Rule"**). Notably, the July Rule, which took effect on October 1, 2009: (i) created a new category of loans called

"higher-priced mortgage loans"; (ii) instituted new protections for both this new category of "higher-priced mortgage loans" as well as for the existing category of "high cost mortgages" under HOEPA; (iii) enacted certain prohibited acts and practices for all closed-end credit transactions secured by a consumer's principal dwelling; (iv) revised the disclosures required in advertisements for credit secured by a consumer's dwelling and prohibited certain practices in connection with closed-end mortgage advertising; and (v) required disclosures for closed-end mortgages secured by a consumer's principal dwelling to be provided earlier in the transaction and before consumers pay any fee except for a fee for obtaining a consumer's credit history. Effective January 10, 2014, the ATR Rules superseded the underwriting requirements applicable to these "higher-priced mortgage loans," but the requirements applicable to appraisals and homeownership counseling still apply to that class of loans.

Enforceability of Due-On-Sale Clauses

The Mortgage Loans include "due-on-sale clauses" which allow the holder of such Mortgage Loan to demand payment in full of the remaining principal balance upon sale or certain transfers of the property securing such Mortgage Loan. The enforceability of these clauses has been the subject of legislation or litigation in many states, and in some cases the enforceability of these clauses was limited or denied. However, The Garn-St. Germain Depository Institutions Act of 1982 (the **"Garn-St Germain Act"**) preempts state constitutional, statutory and case law that prohibits the enforcement of due-on-sale clauses and permits lenders to enforce these clauses in accordance with their terms, subject to limited exceptions. The Garn-St Germain Act does "encourage" lenders to permit assumption of loans at the original rate of interest or at some other rate less than the average of the original rate and the market rate.

The Garn-St Germain Act also sets forth nine specific instances in which a mortgage lender covered by the Garn-St Germain Act may not exercise a due-on-sale clause, notwithstanding the fact that a transfer of the property may have occurred. These include, amongst others, certain intra-family transfers, some transfers by operation of law, leases of fewer than three years and the creation of a junior encumbrance. Under the Guide, Freddie Mac expanded the scope of permissible transfers of property beyond the Garn-St Germain Act protected classes, such as broadening the scope of permissible intra-family transfers and, in these circumstances, servicers may not exercise a due-on-sale clause. Regulations promulgated under the Garn-St Germain Act also prohibit the imposition of a prepayment penalty upon the acceleration of a loan pursuant to a due-on-sale clause.

The inability to enforce a due-on-sale clause may result in Mortgage Loans bearing an interest rate below the current market rate being assumed by the buyers rather than being paid off, which may have an impact upon the average life of such Mortgage Loans and the number of Mortgage Loans which may be outstanding until maturity.

Subordinate Financing

When a mortgagor encumbers mortgaged property with one or more junior liens, the senior lender is subjected to additional risk. First, the mortgagor may have difficulty servicing and repaying multiple loans. In addition, if the junior loan permits recourse to the mortgagor (as junior loans often do) and the senior loan does not, a mortgagor may be more likely to repay sums due on the junior loan than those on the senior loan. Second, acts of the senior lender that prejudice the junior lender or impair the junior lender's security may create a superior equity in favor of the junior lender. For example, if the mortgagor and the senior lender agree to an increase in the principal amount of or the interest rate payable on the senior loan, the senior lender may lose its priority to the extent an existing junior lender is harmed or the mortgagor is additionally burdened. Third, if the mortgagor defaults on the senior loan and/or any junior loan or loans, the existence of junior loans and actions taken by junior lenders can impair the security available to the senior lender and can interfere with or delay the taking of action by the senior lender. Moreover, the bankruptcy of a junior lender may operate to stay foreclosure or similar proceedings by the senior lender. In addition, the consent of the junior lender is required in connection with certain loan modifications, short sales and deeds-in-lieu of foreclosure, which may delay or prevent the loss mitigation actions taken by the senior lender.

Applicability of Usury Laws

Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980 (**"Title V"**) provides that state usury limitations shall not apply to some types of residential first mortgage loans originated by some

lenders after March 31, 1980. A similar federal statute was in effect with respect to mortgage loans made during the first three months of 1980. The Office of the Comptroller of the Currency is authorized to issue rules and regulations and to publish interpretations governing implementation of Title V. The statute authorized any state to reimpose interest rate limits by adopting, before April 1, 1983, a law or constitutional provision which expressly rejects application of the federal law. In addition, even where Title V is not so rejected, any state is authorized by the law to adopt a provision limiting discount points or other charges on mortgage loans covered by Title V. Some states have taken action to reimpose interest rate limits or to limit discount points or other charges.

As indicated in Appendix E to this Offering Circular, the Seller will represent that each Mortgage Loan meets or is exempt from applicable state, federal or local laws, regulations and other requirements pertaining to usury. However, the mortgage rates on the Mortgage Loans will be subject to applicable usury laws as in effect from time to time.

Forfeitures in Drug and RICO Proceedings

Federal law provides that property owned by persons convicted of drug-related crimes or of criminal violations of the Racketeer Influenced and Corrupt Organizations statute (**"RICO"**) can be seized by the government if the property was used in, or purchased with the proceeds of, these crimes. Under procedures contained in the Comprehensive Crime Control Act of 1984, the government may seize the property even before conviction. The government must publish notice of the forfeiture proceeding and may give notice to all parties "known to have an alleged interest in the property," including the holders of mortgage loans.

A lender may avoid forfeiture of its interest in the property if it establishes that: (1) its mortgage was executed and recorded before commission of the crime upon which the forfeiture is based, or (2) the lender was, at the time of execution of the mortgage, "reasonably without cause to believe" that the property was used in, or purchased with the proceeds of, illegal drug or RICO activities.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

General

The following generally describes the anticipated material federal income tax consequences of purchasing, owning and disposing of the Offered Certificates. It does not address special rules which may apply to particular types of investors. The authorities on which this discussion is based are subject to change or differing interpretations, and any such change or interpretation could apply retroactively. Investors should consult their own tax advisors regarding the Offered Certificates.

We will elect to treat applicable portions of the Trust as a REMIC under the Code (each such portion, a **"REMIC Pool"**). Assuming (1) such election, (2) compliance with the applicable agreements and (3) compliance with changes in the law, each REMIC Pool will qualify as a REMIC for U.S. federal income tax purposes. In that case, a REMIC Pool will not be subject to tax. In addition, the following will be treated as a regular interest in the Upper-Tier REMIC Pool: (i) each of the Class 1-A and Class 2-A Certificates, (ii) each of the Class M-1 and Class M-2 Certificates and (iii) the Class B Certificates. The Class R Certificate will be treated as the residual interest in the Upper-Tier REMIC Pool, and the Class RS Certificate will be treated as the residual interest in the Lower-Tier REMIC Pool.

Status of the Offered Certificates

The Offered Certificates will constitute assets described in Code Section 7701(a)(19)(C) and "real estate assets" under Code Section 856(c)(4)(A), to the extent the assets of the related REMIC Pool are so treated. Interest on the regular interests will be "interest on obligations secured by mortgages on real property or on interests in real property" within the meaning of Code Section 856(c)(3)(B) in the same proportion that the income of the REMIC Pool is so treated. If at all times 95% or more of the assets or income of the related REMIC Pool qualifies for any of the foregoing treatments, the Offered Certificates (and income on them) will qualify for the corresponding status in their entirety. In determining the tax status of the Upper-Tier REMIC Pool, however, we will apply the 95% test assuming the Lower-Tier regular interests have the same characteristics as the related Lower-Tier REMIC Pool. We anticipate that the Offered Certificates will qualify for the foregoing treatments in their entirety. The Offered Certificates will be "qualified mortgages" under Code Section 860G(a)(3) for another REMIC.

Taxation of the Offered Certificates

General

The Offered Certificates will be taxed as newly originated debt instruments for federal income tax purposes. Interest, original issue discount and market discount accrued on a regular interest will constitute ordinary income to the beneficial owner. As a beneficial owner of an Offered Certificate, you must account for interest income on the accrual method.

Original Issue Discount

If an Offered Certificate is issued with "original issue discount," a beneficial owner would be required to include such original issue discount in income as it accrues, without regard to the timing of distributions. In the absence of guidance which applies specifically to REMIC regular interests, Freddie Mac and the Securities Administrator will report original issue discount, if any, to the IRS and the beneficial owners of the Offered Certificates based on regulations under Code Sections 1271 through 1275 (the **"OID regulations"**).

The total amount of original issue discount on an Offered Certificate is the excess of its "stated redemption price" over its "issue price." The issue price is the price at which a substantial portion of the Offered Certificate is first sold to the public. The issue price generally includes any pre-issuance accrued interest unless you exclude such amount from the issue price and treat a portion of the stated interest payable on the first Distribution Date as a return of that accrued interest rather than as an amount payable under the instrument.

In general, the stated redemption price is the sum of all distributions except for stated interest actually payable at least annually based on a single fixed rate, certain variable rates, or certain combinations of fixed and

variable rates. For this purpose, the discussion below assumes that the sum of such distributions will be based on the **"Pricing Speed"**, which is the assumed rate of prepayment of the related Mortgages used in pricing the regular interests. The Pricing Speed that will be used in determining the rate of accrual of original issue discount and market discount, if any, for federal income tax purposes is 15% CPR, and it will be assumed that the Optional Termination is exercised on the earliest possible Distribution Date, as described in this Offering Circular under "*Prepayment and Yield Considerations — Assumptions Relating to Declining Balances Tables, Cumulative Realized Losses Table and Yield Tables.*" A beneficial owner taking a contrary position to these assumptions should consult their tax advisor.

If the interval between the issue date and the first Distribution Date exceeds the interval between subsequent Distribution Dates, a portion of the interest distributions in all periods is included in the stated redemption price, unless a special rule relating to debt instruments with increasing rates of interest, described below, applies. The portion included in the stated redemption price is equal to the difference between (1) the stated interest rate for subsequent periods and (2) the effective rate of interest for the long first accrual period.

Under a *de minimis* rule, original issue discount on an Offered Certificate will be considered zero and all interest distributions will be excluded from the stated redemption price if the amount of the original issue discount is less than 0.25% of the Class's stated redemption price multiplied by the Class's weighted average maturity. The weighted average maturity of an Offered Certificate is computed based on the number of full years (*i.e.*, rounding down partial years) each distribution of principal is scheduled to be outstanding. The schedule of such distributions likely should be determined in accordance with the Pricing Speed.

The beneficial owner of a regular interest generally must include in income the original issue discount accrued for each day on which the beneficial owner holds such interest, including the date of purchase, but excluding the date of disposition. The original issue discount accruing on a regular interest in any period equals:

PV End + Dist − PV Beg

Where:

PV End	=	present value of all remaining distributions to be made as of the end of the accrual period;
Dist	=	distributions made during the accrual period includable in stated redemption price; and
PV Beg	=	present value of all remaining distributions as of the beginning of the accrual period.

The present value of the remaining distributions is calculated based on (1) the original yield to maturity of the regular interest, (2) events (including actual prepayments) that have occurred prior to the end of the period and (3) the Pricing Speed. For these purposes, the original yield to maturity of a regular interest will be calculated based on its issue price and assuming that it will be prepaid in all periods in accordance with the Pricing Speed. The original issue discount accruing during any accrual period will then be divided by the number of days in the period to determine the daily portion of original issue discount for each day.

The daily portions of original issue discount generally will increase if prepayments on the Mortgage Loans exceed the Pricing Speed and decrease if prepayments are slower than the Pricing Speed. If the relative principal distribution priorities of a series of the regular interests change, any increase or decrease in the present value of the remaining distributions to be made on any such class will affect the computation of original issue discount for the period in which the change in distribution priority occurs.

If original issue discount accruing during any accrual period, computed as described above, is negative for any such period, you will be entitled to offset such amount only against future positive original issue discount accruing from your regular interest, and Freddie Mac and the Securities Administrator intend to report income to the IRS in all cases in this manner. The treatment of such negative amounts is not entirely clear. For example, you may be entitled to deduct a loss to the extent that your remaining basis would exceed the maximum amount of future distributions to which you are entitled, assuming no further prepayments of the Mortgages (or, perhaps, assuming prepayments at a rate equal to the Pricing Speed). You should consult your tax advisors regarding a regular interest that has a negative amount of original issue discount during any accrual period.

If you are the initial purchaser of interests in two or more series of the regular interests, you should be aware that the OID regulations may treat such interests as a single debt instrument for purposes of the original issue discount provisions.

If a subsequent beneficial owner of a regular interest acquires such regular interest for a price greater than its "adjusted issue price," but less than its remaining stated redemption price, the daily portion for any day is reduced by an amount equal to the product of (1) such daily portion and (2) a fraction, the numerator of which is the amount by which the price exceeds the adjusted issue price and the denominator of which is the sum of the daily portions for such regular interest for all days on and after the date of purchase. The adjusted issue price of a regular interest on any given day is equal to its issue price, increased by all original issue discount previously includable with respect to that interest and reduced by the amount of all previous distributions with respect to that interest included in its stated redemption price at maturity.

Market Discount

The market discount rules may also apply to you. Market discount with respect to a debt instrument that is issued with original issue discount equals the excess of the adjusted issue price over your initial basis in the regular interest.

The Conference Committee Report accompanying the Tax Reform Act of 1986 provides that, until the Treasury Department issues regulations, market discount would accrue (a) on the basis of a constant interest rate (similar to the method described above for accruing original issue discount) or (b) alternatively, in the ratio of original issue discount accrued for the relevant period to the total remaining original issue discount at the beginning of such period.

You generally must recognize accrued market discount as ordinary income to the extent of any distributions includable in the stated redemption price. Moreover, you generally must treat a portion of any gain on a sale or exchange as ordinary income to the extent of the accrued, but unrecognized, market discount to the date of disposition. Alternatively, you may elect to include market discount in income currently as it accrues on all market discount instruments that you acquire in that taxable year or after. You may revoke such an election only with the consent of the IRS.

In addition, the deduction for a portion of interest expense on any indebtedness that you incur or maintain in order to purchase or carry a regular interest purchased with market discount may be required to be deferred. The deferred portion would not exceed the portion of market discount that accrues but is not taken into income currently. Any such deferred interest expense is, in general, allowed as a deduction not later than the year in which the related market discount income is recognized.

Under a *de minimis* rule, market discount with respect to a regular interest will be considered to be zero if the amount of the market discount is less than 0.25% of the class's stated redemption price multiplied by the class's weighted average maturity. The weighted average maturity of a regular interest is computed based on the number of full years (*i.e.*, rounding down partial years) that each distribution of principal is scheduled to be outstanding. You should consult your tax advisors regarding the application of the market discount rules as well as the advisability of making any election with respect to market discount.

Premium

An interest in an Offered Certificate, other than Certificates whose stated interest is partially or entirely included in their stated redemption prices, that is purchased at a cost (net of accrued interest) greater than its principal amount generally is considered to be purchased at a premium. You may elect under Code Section 171 to amortize such premium under the constant interest method, using the Pricing Speed. Such premium is an offset to interest income from an interest in an Offered Certificate, rather than a separate interest deduction. In addition, the Committee Report indicates Congress intended that the methods for determining the accrual of market discount described above which are alternatives to accrual on the basis of a constant interest rate also will apply for purposes of amortizing bond premium on obligations such as the Offered Certificates. An election made by you generally would apply to all your debt instruments, unless the election is revoked with the IRS's consent. If your election to amortize bond premium was effective as of October 22, 1986, you may choose to have such election apply to obligations issued after September 27, 1985.

Constant Yield Election

The OID regulations allow you to elect to include in gross income all interest that accrues on a debt instrument by using the constant yield method. For purposes of this election, interest includes original issue discount, *de minimis* market discount and market discount. You should consult your tax advisors regarding the advisability of making this election.

Sale or Exchange of the Offered Certificates

A beneficial owner generally will recognize gain or loss upon sale or exchange of an Offered Certificate equal to the difference between the amount received and its adjusted basis in the Offered Certificate. A beneficial owner's adjusted basis in the Offered Certificate generally will equal the cost of the Offered Certificate, increased by income previously included and reduced (but not below zero) by previous distributions.

Any gain or loss realized with respect to an Offered Certificate generally will be capital gain or loss and will be long-term or short-term depending on how long the beneficial owner has held such Offered Certificate. Such gain or loss will be ordinary income or loss (1) for a bank or thrift institution; and (2) to the extent of any accrued, but unrecognized, market discount or to the extent income recognized by you is less than the income that you would have recognized if the yield on such interest were 110% of the applicable federal rate under Code Section 1274(d).

Taxation of Certain Foreign Investors

Interest, including original issue discount, distributable with respect to an Offered Certificate to an investor that is a non-U.S. person not engaged in a U.S. trade or business will be considered "portfolio interest" and, therefore, will not be subject to the 30% federal withholding tax provided that the non-U.S. person provides the IRS Form W-8BEN or W-8BEN-E (or an acceptable substitute form), signed under penalties of perjury, identifying the investor and stating, among other things, that the investor in the Offered Certificate is a non-U.S. person. In the case of an Offered Certificate held by a foreign partnership or foreign trust, the form described in the preceding sentence must be provided by the partners or beneficiaries, as the case may be, rather than by the foreign partnership or foreign trust. If this form is not provided, the 30% federal withholding tax may apply unless an income tax treaty reduces or eliminates such tax. If the interest is effectively connected with the conduct of a trade or business within the United States by a non-U.S. person and the non-U.S. person provides an IRS Form W-8ECI (or an acceptable substitute form), the interest distributions will not be subject to the 30% federal withholding tax. The non-U.S. person, however, will be subject to federal income tax at regular rates and non-U.S. persons that are corporations for federal income tax purposes may also be subject to an additional branch profits tax. If you are an investor in an Offered Certificate and are a non-U.S. person, you should consult your tax advisors.

Backup Withholding

Distributions made on the Offered Certificates and proceeds from the sale of the Offered Certificates to or through certain brokers may be subject to a federal "backup" withholding tax on "reportable payments" (including interest accruals, original issue discount and, under certain circumstances, distributions in reduction of principal amount) unless, in general, you comply with certain procedures or are an exempt recipient. Any amounts so withheld from distributions on the Offered Certificates would be refunded by the IRS or allowed as a credit against your federal income tax.

Reporting and Administrative Matters

Reports will be made to the IRS and to holders of record of the Offered Certificates that are not excepted from the reporting requirements.

Final regulations have been promulgated to implement the Foreign Account Tax Compliance Act (**"FATCA"**) provisions of the Hiring Incentive to Restore Employment Act. Investors should be aware that under the FATCA provisions and related administrative guidance, certain distributions in respect of the Offered Certificates after June 30, 2014 and payments of the gross proceeds from the sale or other disposition of such

Certificates after December 31, 2018 received by a non-U.S. entity may be subject to withholding of U.S. federal income tax at a rate of 30% if such non-U.S. entity fails to take the required steps to provide certain information regarding its "United States accounts" or its direct or indirect "substantial U.S. owners." The required steps and the information to be provided will depend on whether the non-U.S. entity is considered a "foreign financial institution" for this purpose, and if an intergovernmental agreement exists between the United States and an applicable foreign country that may modify the applicable requirements. Investors should consult their tax advisors regarding the potential application and impact of the FATCA withholding rules based on their particular circumstances, including the applicability of any intergovernmental agreement modifying these rules.

STATE AND LOCAL TAX CONSIDERATIONS

In addition to the federal income tax consequences described in "Certain Federal Income Tax Consequences" above, potential investors should consider the state and local income tax consequences of the acquisition, ownership, and disposition of the Offered Certificates. State and local income tax law may differ substantially from the corresponding federal law, and this discussion does not purport to describe any aspect of the income tax laws of any state or local taxing jurisdiction. Therefore, potential investors should consult their own tax advisors with respect to the various tax consequences of investments in the Offered Certificates.

LEGAL INVESTMENT

If prospective investors' investment activities are subject to investment laws and regulations, regulatory capital requirements or review by regulatory authorities, prospective investors may be subject to restrictions on investment in the Certificates. Prospective investors should consult legal, tax and accounting advisers for assistance in determining the suitability of and consequences of the purchase, ownership and sale of the Certificates.

None of the Seller, the Underwriters, the Trustee, the Master Servicer, the Master Document Custodian, the Guarantor, the Trust Agent or the Securities Administrator or any of their respective affiliates have made or will make any representation as to (i) the proper characterization of the Certificates for legal investment or other purposes, (ii) the ability of particular prospective investors to purchase Certificates for legal investment or other purposes or (iii) the ability of particular prospective investors to purchase Certificates under applicable investment restrictions. Without limiting the generality of the foregoing, none of the Issuer, the Underwriters, the Securities Administrator or any of their respective affiliates have made or will make any representation as to the characterization of the Certificates as a United States or non-United States investment under any state insurance code or related regulations. None of the Issuer, the Underwriters, the Securities Administrator or any of their respective affiliates are aware of any published precedent that addresses such characterization. There can be no assurance as to the nature of any advice or other action that may result from such consideration or the effect, if any, such advice or other action resulting from such consideration may have on the Certificates.

CERTAIN ERISA CONSIDERATIONS

A Department of Labor regulation provides that if an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (**"ERISA"**) acquires a "guaranteed governmental mortgage pool certificate," then, for purposes of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code, the plan's assets include the certificate and all of its rights in the certificate, but do not, solely by reason of the plan's holding of the certificate, include any of the mortgages underlying the certificate. Under this regulation, the term "guaranteed governmental mortgage pool certificate" includes a certificate "backed by, or evidencing an interest in, specified mortgages or participation interests therein" if Freddie Mac guarantees the interest and principal payable on the certificate.

The regulation makes it clear that Freddie Mac and other persons, in providing services for the assets in the pool, would not be subject to the fiduciary responsibility provisions of Title I of ERISA, or the prohibited transaction provisions of Section 406 of ERISA or Code Section 4975, merely by reason of the plan's investment in a certificate.

The Offered Certificates should qualify as "guaranteed governmental mortgage pool certificates."

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and the Code, may nevertheless be subject to local, state or other federal laws that are substantially similar to provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their own legal advisors before purchasing Offered Certificates.

All employee benefit plan investors should consult with their legal advisors to determine whether the purchase, holding or resale of an Offered Certificate could give rise to a transaction that is prohibited or is not otherwise permissible under either ERISA or the Code.

DISTRIBUTION ARRANGEMENTS

We will offer the Offered Certificates to or through the Underwriters under the terms and conditions set forth in the underwriting agreement, dated on or before the Closing Date (as amended, supplemented or replaced from time to time, the **"Underwriting Agreement"**), among us, BofA Merrill Lynch and Barclays, under which BofA Merrill Lynch is acting for itself and as representative of Nomura, in its capacity as an underwriter, Wells Fargo Securities, in its capacity as an underwriter, and Loop Capital, in its capacity as a selling group member. BofA Merrill Lynch, Barclays, Nomura, Wells Fargo Securities and Loop Capital are collectively referred to as the **"Underwriters"**.

The Underwriters will be acting as Freddie Mac's agents in the placing of the Offered Certificates and the Underwriters' responsibility in this regard is limited to a "commercially reasonable best efforts" basis in placing the Offered Certificates with no understanding, express or implied, on the Underwriters' part of a commitment to purchase or place the Offered Certificates. Freddie Mac will sell the Offered Certificates to each purchaser through the Underwriters as agents and the Underwriters will have no ownership interest in or title to the Offered Certificates prior to the purchase thereof by the purchasers and, in the event any such purchase is not consummated for any reason by a purchaser, will have no obligation to purchase any related Offered Certificates from Freddie Mac for their own accounts; *provided, however*, that the Underwriters will have the right, but will not be obligated, to purchase Offered Certificates as principals for their own accounts or to facilitate the sale of any Offered Certificates to a purchaser by acting as initial purchaser. The Underwriting Agreement entitles the Underwriters or us to terminate such sale in certain circumstances before payment for the Offered Certificates is made to us. Except under certain circumstances, any Underwriter may sell the Offered Certificates it has purchased as principal to other dealers at a concession, in the form of a discount that other Underwriters receive. The concession may be all or a portion of the underwriting compensation. For a description of potential conflicts that exist among the parties involved in this transaction, see *"Risk Factors — Investment Factors and Risks Related to the Certificates — There May be Limited Liquidity of the Certificates, Which May Limit Investors' Ability to Sell the Certificates*".

The Underwriting Agreement provides that Freddie Mac will be required to indemnify the Underwriters against certain civil liabilities under the Securities Act or contribute to payments to be made in respect of such liabilities.

The Underwriters may make a secondary market in the Certificates, but are not obligated to do so. There can be no assurance that a secondary market for the Certificates will develop or, if it does develop, that it will continue.

On the Closing Date, Freddie Mac will initially retain approximately 5% of the initial Class Principal Amount of each of the Class M-1, Class M-2 and Class B Certificates. While Freddie Mac has no intention to sell, transfer or otherwise dispose of these retained interests, it has no contractual, regulatory or other obligation to hold any Certificates on or after the Closing Date. See *"Description of the Mortgage Loans — Credit Risk Retention."*

Price Stabilization

In connection with this offering, the Underwriters, acting directly or through affiliates, may engage in transactions that stabilize, maintain or otherwise affect the market price of the Offered Certificates. Such transactions may include stabilizing transactions pursuant to which the Underwriters, acting directly or through

affiliates, may bid for or purchase Offered Certificates in the open market or otherwise for the purpose of stabilizing the market price of the Offered Certificates. An Underwriter, acting directly or through affiliates, may also create a short position for its account by selling more Offered Certificates in connection with the offering than it is committed to purchase from the Issuer, and in such case may purchase Offered Certificates in the open market following completion of the offering to cover all or a portion of such short position. Any of the transactions described in this paragraph may result in the maintenance of the price of the Offered Certificates at a level above that which might otherwise prevail in the open market. None of the transactions described in this paragraph is required, and if any are undertaken, they may be discontinued at any time.

The Underwriters and their respective affiliates may engage in transactions with, or perform services for, the Issuer and their respective affiliates in the ordinary course of business.

Delivery and Settlement

It is expected that delivery of the Offered Certificates to investors will be made in book-entry form through the Same-Day Funds Settlement System of DTC, which may include delivery through Clearstream and Euroclear on or about the Closing Date, against payment therefor in immediately available funds. See *"Description of the Certificates — Form, Registration and Transfer of the Certificates"*.

Limited Liquidity

There currently is no secondary market for the Offered Certificates, and there can be no assurance that such a market will develop or, if it does develop, that it will continue or will provide investors with a sufficient level of liquidity of investment. The Underwriters will have no obligation to make a market in the Offered Certificates. Even if an Underwriter engages in market-making activities with respect to the Offered Certificates, it may discontinue or limit such activities at any time. In addition, the liquidity of the Offered Certificates may be affected by present uncertainties and future unfavorable developments concerning legal investment. Consequently, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Offered Certificates for an indefinite period of time. See *"Risk Factors — Investment Factors and Risks Related to the Certificates — There May be Limited Liquidity of the Certificates, Which May Limit Investors' Ability to Sell the Certificates"*.

Selling Restrictions

The Offered Certificates may be offered and sold outside of the United States, within the United States or simultaneously outside of and within the United States, only where it is legal to make such offers and sales.

Notice to Canadian Investors

The Offered Certificates may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offered Certificates must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

RATINGS

It is a condition to the issuance of the Certificates that the Class M-1 and Class M-2 Certificates receive from the Rating Agency the ratings identified for such Classes of Certificates on page 6 of this Offering Circular. The Senior Certificates, the Class B Certificates and the Residual Certificates will not be rated by the Rating Agency. The ratings assigned to the Rated Certificates will be subject to ongoing monitoring, upgrades, downgrades, withdrawals and surveillance by the Rating Agency after the date of issuance of such Certificates.

The ratings address the likelihood of the timely receipt of payments of interest to which the Holders of the Rated Certificates are entitled and the ultimate payment of principal by the Maturity Date. The ratings of the Rated Certificates should be evaluated independently from similar ratings on other types of securities. The ratings are not a recommendation to buy, sell or hold the Rated Certificates and may be subject to revision or withdrawal at any time by the Rating Agency.

In addition, the ratings do not address: (i) the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) on the Mortgage Loans and their impact on interest payments or the degree to which such prepayments might differ from those originally anticipated, (ii) the possibility that a Certificateholder might suffer a lower than anticipated yield, (iii) the tax treatment of the Rated Certificates or the effect of taxes on the payments received, (iv) the likelihood or willingness of the parties to the respective agreements to meet their contractual obligations or the likelihood or willingness of any party or court to enforce, or hold enforceable, the agreements in whole or in part, (v) an assessment of the yield to maturity that investors may experience, or (vi) other non-credit risks, including, without limitation, market risks or liquidity.

The ratings take into consideration certain credit risks with respect to the Mortgage Loans. However, as noted above, the ratings do not represent an assessment of the likelihood, timing or frequency of principal prepayments (both voluntary and involuntary) on the Mortgage Loans, or the degree to which such prepayments might differ from those originally anticipated. In general, the ratings address credit risk and not prepayment risk. In addition, the ratings do not represent an assessment of the yield to maturity that investors may experience in the event of Realized Losses or rapid prepayments on the Mortgage Loans (including both voluntary and involuntary prepayments).

Other NRSROs that we have not engaged to rate the Rated Certificates may issue unsolicited credit ratings or provide commentary on one or more Classes of the Certificates, relying on information they receive pursuant to Rule 17g-5 or otherwise. If any such unsolicited ratings are issued, we cannot assure you that they will not be different from the ratings assigned by the Rating Agency, and if lower than the Rating Agency's ratings, whether such unsolicited ratings will have an adverse impact on the liquidity, market value and regulatory characteristics of such Certificates. Further, a determination by the SEC that the Rating Agency no longer qualifies as an NRSRO or is no longer qualified to rate the Rated Certificates, could adversely affect the liquidity, market value and regulatory characteristics of the Rated Certificates. See "*Risk Factors — Investment Factors and Risks Related to the Certificates — A Reduction, Withdrawal or Qualification of the Ratings on the Rated Certificates, or the Issuance of an Unsolicited Rating on the Rated Certificates, May Adversely Affect the Market Value of Those Certificates and/or Limit an Investor's Ability to Resell Those Certificates*" and "*— The Ratings on the Rated Certificates May Not Reflect All Risks*".

LEGAL MATTERS

Freddie Mac's General Counsel or one of its Deputy General Counsels will render an opinion on the legality of the Offered Certificates. Certain tax matters with respect to the Offered Certificates will be passed upon for the Issuer by Shearman & Sterling LLP.

INDEX OF SIGNIFICANT DEFINITIONS

	Page
Accrual Period	8
ACE Decision	25
Additional Reviewer	5
Additional Reviewer Report	96
Advances	91
Aggregate Expense Rate	80
ALTA	55
Appeal Determination Notice	96
Appeal Notice	96
ATR Rule	119
ATR Rules	35
AUS	52
Authority	31
AVM	69
Barclays	5
BofA Merrill Lynch	5
Book-Entry Certificates	7
Bulletins	56
Breach Review Trigger	5
Business Day	79
Caliber	4
Canadian Purchaser	D-1
Capitalization Amount	80
Capitalization Reimbursement Amount	81
Carryover Redistribution Amount	81
CDR	108
CERCLA	118
Certificate Account	98
Certificate Principal Amount	6
Certificate Realized Losses	81
Certificate Owners	75
Certificate Writedown Amount	81
CFPB	32
Charter Mission	vi
CIO	55
Class Coupon	8, 81
Class Principal Amount	6
Clearstream	77
Clearstream International	77
Clearstream Participants	77
Closing Date	6
CLTV	52
Code	17
Collection Account	98
Common Depository	75
Compensating Interest	16
Compliance Review Sample	69
Condemnation Proceeds	81
Conservation Act	118
Conservator	ii
CPR	108
Credit Score	53
Cumulative Loss Test	81
Curtailment Period	7
Cut-Off Date	12
Cut-Off Date Balance	81
Defective Loan	96
Deficiency Amount	81
Definitive Certificates	7, 75
Delinquency Determination Date	8
Delinquency Test	82
Delinquency Test Threshold	82
Diligence Provider	21
Diligence Provider Review	68
Dispute Notice	96
Distressed Principal Balance	82
Distribution Date	6, 79
Document Deadline	95
DTC	75
DTI	54
DU	53
Due Diligence Requirement	37
Due Diligence Sample	68
Due Period	7
EEA	37
ERISA	17, 127
Euroclear	77
Euroclear Operator	77
Euroclear Participants	77
Eurozone	24
Event of Default	102
Excess Expenses	82
Exchange Act	ix
Expenses	83
Expenses Cap	82
Fannie Mae	vi
FATCA	126
FHFA	ii
FIEA	D-2
Final Review	15, 96
Final Scheduled Distribution Date	6
Financial Intermediary	76
Forgiveness Advances	82
Freddie Mac Account	98
Freddie Mac Act	v
Fremont	4
FSCMA	D-2
FSMA	D-4
Garn-St Germain Act	121
Guarantee	1
Guaranteed Certificates	5
Guarantee Fee	12
Guarantor	4
Guarantor Interest Payments	82
Guarantor Nonpayment Event	82
Guarantor Principal Payment	11, 83
Guide	1
HCLTV	54
HELOC	54
HOEPA	39
HUD	v
Incorporated Documents	ix
Indirect Participants	75
Initial Review	15, 95
Initial Reviewer	5
Initial Reviewer Report	96
Initial Reviewer's Determination	96
Insurance Proceeds	83
Interest Deficiency Amount	83
Interest Distribution Amount	83
Interest Remittance Amount	83
IRA	17
IRA Shortfall Amount	83
IRS	101
Issuer	4
July Rule	120
Liquidated Mortgage Loan	84
Liquidation Proceeds	84
Loop Capital	5
Loss Period	8
Loss Severity	109
Lower-Tier REMIC Pool	2
LP	52
LPA	52
LPI	59
M&T	104
Mandatory Termination	7
Master Document Custodian	4
Master Servicer	4
Master Servicing Fee	12
Master Servicing Fee Rate	12
Master Servicer Remittance Date	98
Master Servicer Shortfall Amount	83
Material Breach	15
Maturity Date	7
Maximum Redistribution Amount	84
MDIA	120
MERS	116
MHA	67
Minimum Credit Enhancement Test	84

	Page
Missing Document Notice	96
Modeling Assumptions	108
Modification Period	8
Modification Rate Loss	84
Mortgage	114
Mortgage Loans	1, 50
Mortgage Note	51
Mortgage Pool	50
Mortgage Pools	50
Mortgaged Property	51
Mortgages	50
Mortgagor	51
MSR	56
MyCity Modification	61
Net Liquidation Proceeds	84
Net Mortgage Rate	84
NI 31-103	D-1
NI 45-106	D-1
Nomura	5
Non-Guaranteed Certificates	5
Non-Offered Certificates	cover, 5
Note Date	E-2
NRSRO	44
Offered Certificates	1, 5
OID regulations	123
Optional Termination	7
Optional Termination Date	7
P&I Advances	91
PACE	40
Participants	75
PC	50
PCC	32
PHH	4
Plan	17
Pool	50
Pool 1	50
Pool 1 Certificates	2
Pool 1 Guarantee Fee Rate	84
Pool 1 Loans	50
Pool 1 Net WAC	84
Pool 1 Undercollateralized Amount	11
Pool 2	50
Pool 2 Certificates	2
Pool 2 Guarantee Fee Rate	84
Pool 2 Loans	50
Pool 2 Net WAC	84
Pool 2 Undercollateralized Amount	10
Pooling and Servicing Agreement	ix
Pool Redistribution Amount	84
PRA Shortfall Amount	85
PRC	D-3
Preliminary PRA	84
Preliminary Subordinate Scheduled PRA	84
Prepayment in Full Period	8
Pricing Speed	124
Principal Deficiency Amount	85
Principal Forbearance Amount	85
Principal Reduction Modification	61
Principal Remittance Amount	85
PUD	16
Purchase Agreement	vi
Purchase Documents	1
Purchase Population	68
Quicken	4
Rated Certificates	18
Rating Agency	18
Realized Loss	85
Record Date	6
Redistribution Amount	85
Redistribution Cap	85
Reform Act	v
Relief Act	34
Relevant Implementation Date	D-2
REMIC	2
REMIC Pool	2, 123
REO	23
REO Properties	34
Reporting Periods	8
Repurchase Alternatives	55
Repurchase Price	86
Repurchase Indemnification Amount	86
Residual Certificates	5
RESPA	39
Retention Requirement	37
Review Materials	95
Review Materials Confirmation	96
Review Trigger Notice	95
RICO	122
Risk Retention Rule	50
Rules	76
S&P	47
SEC	ix, 18
Securities Act	iv
Securities Administrator	5, 105
Securities Administrator Fee	12
Securities Administrator Fee Rate	12
Securities Laws	D-1
Securitisation Regulation	38
Senior Certificates	5
Senior Percentage	86
Seller	4
Senior PRA	86
Senior Principal Distribution Amount	86
Servicing Advances	91
Servicing Alignment Initiative	67
Servicing Fee	57
Servicing Fee Rate	101
Servicing Requirements	1
Servicing Success Program	67
SFA	D-3
Similar Law	17
Similar Requirements	37
Single Family Loan-Level Dataset	74
Standard Modification	60
Stated Principal Balance	86
Step-Down Test	86
Stop Advance Loan	86
Streamlined Modification	60
Subordinate Certificates	5
Subordinate Percentage	87
Subordinate Scheduled PRA	87
Subordinate Unscheduled PRA	87
Subsequent Appeal Notice	97
Subsequent Loss	85
Subsequent Recovery	12
Subsequent Recoveries	87
Termination Price	87
Terms and Conditions	77
TILA	33
Title V	121
TLTV	52
TOBs	1
Treasury	vi
TRID	39
Trust	1, 4
Trustee	4
Trust Agent	5
Trust Agent Fee	12
Trust Agent Fee Rate	12
Trust Mortgage Rate	87
Underlying Sellers	4
Underlying Servicers	4
Underwriters	128
Underwriting Agreement	128
Upper-Tier REMIC Pool	2
U.S. Bank	105
USPAP	55
Vacated REO Property	55
Volcker Rule	44
Voting Rights	87
Wells Fargo Securities	5
WTNA	104

Appendix A

The Mortgage Pool as of the Cut-Off Date (July 1, 2016)

Product Type of the Mortgage Loans

Product Type	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
25 Year Fixed	2	985,450.18	0.28	492,725.09	3.732	788	75	75
30 Year Fixed	659	347,390,407.13	99.72	527,147.81	4.185	748	69	70
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Product Type of the Mortgage Loans — Pool 1

Product Type	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
25 Year Fixed	2	985,450.18	0.61	492,725.09	3.732	788	75	75
30 Year Fixed	307	160,340,120.78	99.39	522,280.52	3.965	759	68	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Product Type of the Mortgage Loans — Pool 2

Product Type	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
30 Year Fixed	352	187,050,286.35	100.00	531,392.86	4.375	738	69	70
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Principal Balance of the Mortgage Loans at Origination

Range of Original Principal Balances ($)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
400,000.01 to 450,000.00	77	33,123,278.20	9.51	430,172.44	4.197	739	69	69
450,000.01 to 500,000.00	168	79,714,809.83	22.88	474,492.92	4.157	748	69	70
500,000.01 to 550,000.00	177	91,742,286.76	26.33	518,318.00	4.172	748	68	70
550,000.01 to 600,000.00	119	67,873,783.71	19.48	570,367.93	4.176	754	70	71
600,000.01 to 650,000.00	107	65,524,499.35	18.81	612,378.50	4.169	745	68	70
650,000.01 to 700,000.00	1	657,499.01	0.19	657,499.01	4.750	814	70	70
700,000.01 to 750,000.00	3	2,180,686.64	0.63	726,895.55	4.415	770	62	62
750,000.01 and greater	9	7,559,013.81	2.17	839,890.42	4.645	743	62	63
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The average principal balance of the Mortgage Loans at origination was $532,892.38.

Principal Balance of the Mortgage Loans at Origination — Pool 1

Range of Original Principal Balances ($)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
400,000.01 to 450,000.00	34	14,602,466.05	9.05	429,484.30	3.985	747	68	68
450,000.01 to 500,000.00	83	39,509,441.79	24.49	476,017.37	3.967	759	67	69
500,000.01 to 550,000.00	86	44,779,029.87	27.76	520,686.39	3.964	760	67	67
550,000.01 to 600,000.00	59	33,689,010.39	20.88	571,000.18	3.954	764	71	72
600,000.01 to 650,000.00	47	28,745,622.86	17.82	611,609.00	3.955	759	69	70
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The average principal balance of the Pool 1 Loans at origination was $527,790.06.

Principal Balance of the Mortgage Loans at Origination — Pool 2

Range of Original Principal Balances ($)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
400,000.01 to 450,000.00	43	18,520,812.15	9.90	430,716.56	4.365	733	69	69
450,000.01 to 500,000.00	85	40,205,368.04	21.49	473,004.33	4.344	737	70	72
500,000.01 to 550,000.00	91	46,963,256.89	25.11	516,079.75	4.369	736	69	72
550,000.01 to 600,000.00	60	34,184,773.32	18.28	569,746.22	4.394	744	70	71
600,000.01 to 650,000.00	60	36,778,876.49	19.66	612,981.27	4.337	735	68	69
650,000.01 to 700,000.00	1	657,499.01	0.35	657,499.01	4.750	814	70	70
700,000.01 to 750,000.00	3	2,180,686.64	1.17	726,895.55	4.415	770	62	62
750,000.01 and greater	9	7,559,013.81	4.04	839,890.42	4.645	743	62	63
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The average principal balance of the Pool 2 Loans at origination was $537,371.41.

Stated Principal Balance of the Mortgage Loans

Range of Stated Principal Balances ($)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
250,000.01 to 300,000.00	1	292,214.46	0.08	292,214.46	3.930	650	46	46
400,000.01 to 450,000.00	86	37,281,628.83	10.70	433,507.31	4.191	741	69	69
450,000.01 to 500,000.00	178	85,180,321.57	24.45	478,541.13	4.159	749	68	69
500,000.01 to 550,000.00	169	88,372,368.47	25.37	522,913.42	4.169	747	69	70
550,000.01 to 600,000.00	118	67,797,947.12	19.46	574,558.87	4.173	755	70	71
600,000.01 to 650,000.00	96	59,054,177.40	16.95	615,147.68	4.178	742	69	70
650,000.01 to 700,000.00	1	657,499.01	0.19	657,499.01	4.750	814	70	70
700,000.01 to 750,000.00	4	2,929,737.76	0.84	732,434.44	4.501	777	63	63
750,000.01 and greater	8	6,809,962.69	1.95	851,245.34	4.634	737	62	63
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The average Stated Principal Balance of the Mortgage Loans as of the Cut-Off Date was $527,043.66.

Stated Principal Balance of the Mortgage Loans — Pool 1

Range of Stated Principal Balances ($)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
250,000.01 to 300,000.00	1	292,214.46	0.18	292,214.46	3.930	650	46	46
400,000.01 to 450,000.00	36	15,649,221.24	9.70	434,700.59	3.971	752	69	70
450,000.01 to 500,000.00	89	42,642,126.65	26.43	479,125.02	3.978	759	66	67
500,000.01 to 550,000.00	83	43,568,360.07	27.01	524,920.00	3.960	760	68	69
550,000.01 to 600,000.00	60	34,511,989.21	21.39	575,199.82	3.948	765	71	72
600,000.01 to 650,000.00	40	24,661,659.33	15.29	616,541.48	3.960	755	69	71
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The average Stated Principal Balance of the Pool 1 Loans as of the Cut-Off Date was $522,089.23.

Stated Principal Balance of the Mortgage Loans — Pool 2

Range of Stated Principal Balances ($)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
400,000.01 to 450,000.00	50	21,632,407.59	11.57	432,648.15	4.351	733	69	69
450,000.01 to 500,000.00	89	42,538,194.92	22.74	477,957.25	4.341	739	70	71
500,000.01 to 550,000.00	86	44,804,008.40	23.95	520,976.84	4.371	735	69	72
550,000.01 to 600,000.00	58	33,285,957.91	17.80	573,895.83	4.407	745	69	71
600,000.01 to 650,000.00	56	34,392,518.07	18.39	614,152.11	4.334	733	69	70
650,000.01 to 700,000.00	1	657,499.01	0.35	657,499.01	4.750	814	70	70
700,000.01 to 750,000.00	4	2,929,737.76	1.57	732,434.44	4.501	777	63	63
750,000.01 and greater	8	6,809,962.69	3.64	851,245.34	4.634	737	62	63
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The average Stated Principal Balance of the Pool 2 Loans as of the Cut-Off Date was $531,392.86.

Interest Rate of the Mortgage Loans

Range of Interest Rates (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
3.126 to 3.250	1	420,856.62	0.12	420,856.62	3.250	793	80	80
3.251 to 3.625	10	5,418,259.52	1.56	541,825.95	3.625	771	62	62
3.626 to 3.750	50	26,366,043.98	7.57	527,320.88	3.745	765	67	68
3.751 to 3.875	58	30,609,642.68	8.79	527,752.46	3.873	761	69	70
3.876 to 4.000	55	28,524,526.34	8.19	518,627.75	3.992	758	65	67
4.001 to 4.125	135	69,986,241.82	20.09	518,416.61	4.103	755	70	71
4.126 to 4.250	181	94,182,093.77	27.03	520,343.06	4.224	743	69	70
4.251 to 4.375	80	42,331,443.87	12.15	529,143.05	4.372	730	68	71
4.376 to 4.500	24	12,917,325.30	3.71	538,221.89	4.492	747	72	73
4.501 to 4.625	33	18,165,683.97	5.21	550,475.27	4.623	725	70	71
4.626 to 4.750	23	13,222,899.25	3.80	574,908.66	4.750	748	69	70
4.751 to 4.875	10	5,646,593.71	1.62	564,659.37	4.869	715	67	68
4.876 to 5.250	1	584,246.48	0.17	584,246.48	5.200	633	80	80
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The weighted average interest rate of the Mortgage Loans as of the Cut-Off Date was approximately 4.184%.

Interest Rate of the Mortgage Loans — Pool 1

Range of Interest Rates (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
3.126 to 3.250	1	420,856.62	0.26	420,856.62	3.250	793	80	80
3.251 to 3.625	10	5,418,259.52	3.36	541,825.95	3.625	771	62	62
3.626 to 3.750	50	26,366,043.98	16.34	527,320.88	3.745	765	67	68
3.751 to 3.875	58	30,609,642.68	18.97	527,752.46	3.873	761	69	70
3.876 to 4.000	55	28,524,526.34	17.68	518,627.75	3.992	758	65	67
4.001 to 4.125	135	69,986,241.82	43.38	518,416.61	4.103	755	70	71
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The weighted average interest rate of the Pool 1 Loans as of the Cut-Off Date was approximately 3.963%.

Interest Rate of the Mortgage Loans — Pool 2

Range of Interest Rates (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
4.126 to 4.250	181	94,182,093.77	50.35	520,343.06	4.224	743	69	70
4.251 to 4.375	80	42,331,443.87	22.63	529,143.05	4.372	730	68	71
4.376 to 4.500	24	12,917,325.30	6.91	538,221.89	4.492	747	72	73
4.501 to 4.625	33	18,165,683.97	9.71	550,475.27	4.623	725	70	71
4.626 to 4.750	23	13,222,899.25	7.07	574,908.66	4.750	748	69	70
4.751 to 4.875	10	5,646,593.71	3.02	564,659.37	4.869	715	67	68
4.876 to 5.250	1	584,246.48	0.31	584,246.48	5.200	633	80	80
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The weighted average interest rate of the Pool 2 Loans as of the Cut-Off Date was approximately 4.375%.

Loan Age of the Mortgage Loans

Loan Age (months)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
2	101	54,959,025.56	15.78	544,148.77	4.019	753	69	71
3	36	18,831,145.59	5.41	523,087.38	3.979	748	67	67
4	59	30,404,422.41	8.73	515,329.19	4.165	740	71	73
5	52	27,690,215.75	7.95	532,504.15	4.348	735	70	71
6	83	43,507,310.04	12.49	524,184.46	4.240	747	70	72
7	23	12,031,410.24	3.45	523,104.79	4.329	745	68	69
8	127	66,275,689.72	19.02	521,855.82	4.124	755	67	67
9	44	23,229,754.27	6.67	527,948.96	4.217	745	66	67
10	67	35,410,363.76	10.16	528,512.89	4.258	755	69	70
11	67	34,979,117.62	10.04	522,076.38	4.330	742	70	70
12	2	1,057,402.35	0.30	528,701.18	4.414	699	67	72
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The loan age calculation is the difference in months between the Cut-Off Date and the Mortgage Loan's note date minus 1 month. The weighted average loan age of the Mortgage Loans as of the Cut-Off Date was approximately 6 months.

Loan Age of the Mortgage Loans — Pool 1

Loan Age (months)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
2	75	40,438,342.52	25.07	539,177.90	3.908	757	69	70
3	26	13,821,432.18	8.57	531,593.55	3.826	750	65	66
4	28	14,449,622.91	8.96	516,057.96	3.948	764	73	73
5	12	6,173,672.29	3.83	514,472.69	4.021	740	73	73
6	40	20,691,079.62	12.83	517,276.99	4.033	763	70	72
7	9	4,208,049.62	2.61	467,561.07	3.966	762	75	76
8	67	34,794,718.21	21.57	519,324.15	3.970	762	66	66
9	15	7,498,913.88	4.65	499,927.59	4.069	746	66	67
10	22	11,502,161.92	7.13	522,825.54	4.026	768	65	66
11	14	7,280,270.80	4.51	520,019.34	4.066	763	69	71
12	1	467,307.01	0.29	467,307.01	3.990	740	50	50
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The loan age calculation is the difference in months between the Cut-Off Date and the Mortgage Loan's note date minus 1 month. The weighted average loan age of the Pool 1 Loans as of the Cut-Off Date was approximately 6 months.

Loan Age of the Mortgage Loans — Pool 2

Loan Age (months)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
2	26	14,520,683.04	7.76	558,487.81	4.327	740	69	73
3	10	5,009,713.41	2.68	500,971.34	4.401	739	71	72
4	31	15,954,799.50	8.53	514,670.95	4.362	718	69	72
5	40	21,516,543.46	11.50	537,913.59	4.442	733	69	70
6	43	22,816,230.42	12.20	530,610.01	4.428	732	70	73
7	14	7,823,360.62	4.18	558,811.47	4.525	736	65	65
8	60	31,480,971.51	16.83	524,682.86	4.295	746	68	69
9	29	15,730,840.39	8.41	542,442.77	4.287	744	67	67
10	45	23,908,201.84	12.78	531,293.37	4.370	748	70	72
11	53	27,698,846.82	14.81	522,619.75	4.400	737	70	70
12	1	590,095.34	0.32	590,095.34	4.750	666	80	90
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The loan age calculation is the difference in months between the Cut-Off Date and the Mortgage Loan's note date minus 1 month. The weighted average loan age of the Pool 2 Loans as of the Cut-Off Date was approximately 7 months.

Loan-to-Value Ratio of the Mortgage Loans at Origination

Range of Original Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
6 to 25	2	1,035,496.16	0.30	517,748.08	3.891	779	21	21
26 to 30	5	2,848,901.80	0.82	569,780.36	4.418	735	29	32
31 to 35	6	3,364,516.46	0.97	560,752.74	4.015	776	33	33
36 to 40	14	7,180,160.01	2.06	512,868.57	4.129	741	39	39
41 to 45	10	5,253,247.08	1.51	525,324.71	4.139	749	43	48
46 to 50	29	15,112,971.30	4.34	521,136.94	4.143	748	48	49
51 to 55	32	16,462,049.77	4.73	514,439.06	4.187	748	53	55
56 to 60	67	34,941,658.90	10.03	521,517.30	4.122	738	59	60
61 to 65	48	25,972,872.98	7.46	541,101.52	4.180	749	63	66
66 to 70	91	50,008,865.74	14.35	549,547.98	4.248	738	69	70
71 to 75	124	64,473,212.54	18.51	519,945.26	4.235	752	74	75
76 to 80	233	121,721,904.57	34.94	522,411.61	4.160	752	79	80
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The weighted average loan-to-value ratio of the Mortgage Loans at origination was approximately 69%.

Loan-to-Value Ratio of the Mortgage Loans at Origination — Pool 1

Range of Original Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
6 to 25	2	1,035,496.16	0.64	517,748.08	3.891	779	21	21
26 to 30	2	1,045,829.55	0.65	522,914.78	4.125	776	30	32
31 to 35	5	2,772,915.85	1.72	554,583.17	3.965	770	33	33
36 to 40	7	3,775,357.57	2.34	539,336.80	3.979	732	39	40
41 to 45	4	2,006,047.49	1.24	501,511.87	3.879	769	43	55
46 to 50	17	8,290,597.85	5.14	487,682.23	3.958	757	48	49
51 to 55	14	7,043,420.49	4.37	503,101.46	3.946	753	53	56
56 to 60	36	18,378,841.15	11.39	510,523.37	3.929	744	59	61
61 to 65	21	11,320,744.19	7.02	539,083.06	3.923	757	63	64
66 to 70	35	18,387,759.31	11.40	525,364.55	3.968	752	69	70
71 to 75	46	24,164,727.71	14.98	525,320.17	3.975	761	74	74
76 to 80	120	63,103,833.64	39.12	525,865.28	3.977	766	79	80
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The weighted average loan-to-value ratio of the Pool 1 Loans at origination was approximately 68%.

Loan-to-Value Ratio of the Mortgage Loans at Origination — Pool 2

Range of Original Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
26 to 30	3	1,803,072.25	0.96	601,024.08	4.589	712	28	31
31 to 35	1	591,600.61	0.32	591,600.61	4.250	800	31	35
36 to 40	7	3,404,802.44	1.82	486,400.35	4.295	752	39	39
41 to 45	6	3,247,199.59	1.74	541,199.93	4.300	736	44	44
46 to 50	12	6,822,373.45	3.65	568,531.12	4.369	737	48	48
51 to 55	18	9,418,629.28	5.04	523,257.18	4.367	744	53	53
56 to 60	31	16,562,817.75	8.85	534,284.44	4.336	731	59	59
61 to 65	27	14,652,128.79	7.83	542,671.44	4.379	743	64	67
66 to 70	56	31,621,106.43	16.91	564,662.61	4.411	730	69	70
71 to 75	78	40,308,484.83	21.55	516,775.45	4.392	746	74	76
76 to 80	113	58,618,070.93	31.34	518,743.99	4.358	736	79	81
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The weighted average loan-to-value ratio of the Pool 2 Loans at origination was approximately 69%.

Combined Loan-to-Value Ratio of the Mortgage Loans at Origination

Range of Original Combined Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
6 to 25	2	1,035,496.16	0.30	517,748.08	3.891	779	21	21
26 to 30	3	1,422,217.71	0.41	474,072.57	4.250	738	28	28
31 to 35	7	3,913,545.82	1.12	559,077.97	4.031	772	32	34
36 to 40	13	7,124,958.73	2.05	548,073.75	4.230	743	38	38
41 to 45	11	5,579,438.06	1.60	507,221.64	4.142	739	43	44
46 to 50	27	14,155,598.82	4.06	524,281.44	4.152	747	48	48
51 to 55	32	16,282,722.09	4.67	508,835.07	4.196	751	53	54
56 to 60	59	31,134,698.68	8.94	527,706.76	4.128	742	59	59
61 to 65	43	23,314,535.37	6.69	542,198.50	4.175	751	63	63
66 to 70	86	47,246,644.30	13.56	549,379.58	4.251	735	68	69
71 to 75	116	60,129,467.52	17.26	518,357.48	4.225	751	73	74
76 to 80	223	116,324,816.86	33.39	521,635.95	4.132	752	79	79
81 to 85	3	1,772,321.31	0.51	590,773.77	4.331	735	73	85
86 to 90	36	18,939,395.88	5.44	526,094.33	4.347	746	76	90
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The weighted average combined loan-to-value ratio of the Mortgage Loans at origination was approximately 70%.

Combined Loan-to-Value Ratio of the Mortgage Loans at Origination — Pool 1

Range of Original Combined Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
6 to 25	2	1,035,496.16	0.64	517,748.08	3.891	779	21	21
26 to 30	1	496,800.19	0.31	496,800.19	4.125	801	30	30
31 to 35	6	3,321,945.21	2.06	553,657.54	3.992	767	33	33
36 to 40	5	2,842,501.56	1.76	568,500.31	3.952	739	39	39
41 to 45	5	2,332,238.47	1.45	466,447.69	3.922	743	42	44
46 to 50	15	7,333,225.37	4.55	488,881.69	3.950	755	48	48
51 to 55	14	6,864,092.81	4.25	490,292.34	3.961	760	53	54
56 to 60	31	15,970,090.34	9.90	515,164.20	3.933	748	59	59
61 to 65	20	10,881,929.71	6.75	544,096.49	3.912	755	63	63
66 to 70	33	17,284,343.24	10.71	523,767.98	3.966	750	68	69
71 to 75	46	24,043,413.85	14.90	522,682.91	3.965	763	73	74
76 to 80	126	66,074,799.37	40.96	524,403.17	3.977	765	78	79
86 to 90	5	2,844,694.68	1.76	568,938.94	4.023	753	79	90
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The weighted average combined loan-to-value ratio of the Pool 1 Loans at origination was approximately 69%.

Combined Loan-to-Value Ratio of the Mortgage Loans at Origination — Pool 2

Range of Original Combined Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
26 to 30	2	925,417.52	0.49	462,708.76	4.317	705	27	27
31 to 35	1	591,600.61	0.32	591,600.61	4.250	800	31	35
36 to 40	8	4,282,457.17	2.29	535,307.15	4.414	745	37	38
41 to 45	6	3,247,199.59	1.74	541,199.93	4.300	736	44	44
46 to 50	12	6,822,373.45	3.65	568,531.12	4.369	737	48	48
51 to 55	18	9,418,629.28	5.04	523,257.18	4.367	744	53	53
56 to 60	28	15,164,608.34	8.11	541,593.16	4.333	735	59	59
61 to 65	23	12,432,605.66	6.65	540,548.07	4.406	747	64	64
66 to 70	53	29,962,301.06	16.02	565,326.44	4.416	727	68	69
71 to 75	70	36,086,053.67	19.29	515,515.05	4.398	743	74	74
76 to 80	97	50,250,017.49	26.86	518,041.42	4.336	736	79	79
81 to 85	3	1,772,321.31	0.95	590,773.77	4.331	735	73	85
86 to 90	31	16,094,701.20	8.60	519,183.91	4.404	745	76	90
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The weighted average combined loan-to-value ratio of the Pool 2 Loans at origination was approximately 70%.

HELOC Combined Loan-to-Value Ratio of the Mortgage Loans at Origination

Range of Original HELOC Combined Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
6 to 25	2	1,035,496.16	0.30	517,748.08	3.891	779	21	21
26 to 30	3	1,422,217.71	0.41	474,072.57	4.250	738	28	28
31 to 35	5	2,772,915.85	0.80	554,583.17	3.965	770	33	33
36 to 40	13	7,085,594.50	2.03	545,045.73	4.236	742	37	38
41 to 45	11	5,692,866.45	1.63	517,533.31	4.155	744	42	43
46 to 50	28	14,605,948.58	4.19	521,641.02	4.158	746	47	48
51 to 55	30	15,329,228.96	4.40	510,974.30	4.204	750	53	54
56 to 60	58	30,611,843.09	8.79	527,790.40	4.126	743	59	59
61 to 65	43	23,491,052.89	6.74	546,303.56	4.173	752	63	63
66 to 70	85	46,385,832.74	13.31	545,715.68	4.251	735	68	68
71 to 75	121	62,906,326.33	18.06	519,886.99	4.221	749	73	74
76 to 80	221	115,356,343.17	33.11	521,974.40	4.132	752	79	79
81 to 85	5	2,740,795.00	0.79	548,159.00	4.252	741	75	83
86 to 90	36	18,939,395.88	5.44	526,094.33	4.347	746	76	90
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The weighted average HELOC combined loan-to-value ratio of the Mortgage Loans at origination was approximately 70%.

HELOC Combined Loan-to-Value Ratio of the Mortgage Loans at Origination — Pool 1

Range of Original HELOC Combined Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
6 to 25	2	1,035,496.16	0.64	517,748.08	3.891	779	21	21
26 to 30	1	496,800.19	0.31	496,800.19	4.125	801	30	30
31 to 35	5	2,772,915.85	1.72	554,583.17	3.965	770	33	33
36 to 40	5	2,803,137.33	1.74	560,627.47	3.965	737	37	38
41 to 45	4	1,854,066.25	1.15	463,516.56	3.869	741	43	44
46 to 50	16	7,783,575.13	4.82	486,473.45	3.974	753	47	47
51 to 55	12	5,910,599.68	3.66	492,549.97	3.945	759	53	54
56 to 60	31	15,945,854.57	9.88	514,382.41	3.933	751	59	59
61 to 65	20	11,058,447.23	6.85	552,922.36	3.912	757	62	62
66 to 70	33	17,017,096.44	10.55	515,669.59	3.960	748	67	68
71 to 75	49	25,728,088.08	15.95	525,063.02	3.971	761	73	73
76 to 80	124	65,106,325.68	40.36	525,051.01	3.975	765	78	79
81 to 85	2	968,473.69	0.60	484,236.85	4.106	752	78	78
86 to 90	5	2,844,694.68	1.76	568,938.94	4.023	753	79	90
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The weighted average HELOC combined loan-to-value ratio of the Pool 1 Loans at origination was approximately 70%.

HELOC Combined Loan-to-Value Ratio of the Mortgage Loans at Origination — Pool 2

Range of Original HELOC Combined Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
26 to 30	2	925,417.52	0.49	462,708.76	4.317	705	27	27
36 to 40	8	4,282,457.17	2.29	535,307.15	4.414	745	37	38
41 to 45	7	3,838,800.20	2.05	548,400.03	4.292	746	42	42
46 to 50	12	6,822,373.45	3.65	568,531.12	4.369	737	48	48
51 to 55	18	9,418,629.28	5.04	523,257.18	4.367	744	53	53
56 to 60	27	14,665,988.52	7.84	543,184.76	4.336	735	59	59
61 to 65	23	12,432,605.66	6.65	540,548.07	4.406	747	64	64
66 to 70	52	29,368,736.30	15.70	564,783.39	4.419	728	69	69
71 to 75	72	37,178,238.25	19.88	516,364.42	4.394	741	73	74
76 to 80	97	50,250,017.49	26.86	518,041.42	4.336	736	79	79
81 to 85	3	1,772,321.31	0.95	590,773.77	4.331	735	73	85
86 to 90	31	16,094,701.20	8.60	519,183.91	4.404	745	76	90
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The weighted average HELOC combined loan-to-value ratio of the Pool 2 Loans at origination was approximately 70%.

Credit Score of the Mortgagors of the Mortgage Loans at Origination

Range of Original Credit Scores	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
620 to 639	4	1,953,303.77	0.56	488,325.94	4.565	634	64	64
640 to 659	9	4,640,661.40	1.33	515,629.04	4.515	649	64	65
660 to 679	28	14,616,350.27	4.20	522,012.51	4.374	670	64	65
680 to 699	54	28,653,694.77	8.22	530,623.98	4.275	689	71	71
700 to 719	85	44,485,063.59	12.77	523,353.69	4.248	709	68	69
720 to 739	79	41,410,136.79	11.89	524,178.95	4.175	729	70	71
740 to 759	108	56,311,305.92	16.16	521,400.98	4.177	750	68	69
760 to 779	106	57,224,515.52	16.43	539,853.92	4.110	770	69	71
780 to 799	131	69,346,768.99	19.91	529,364.65	4.123	789	70	72
800 to 819	56	29,229,325.16	8.39	521,952.24	4.140	806	66	67
820 to 839	1	504,731.13	0.14	504,731.13	4.180	822	73	73
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The weighted average Credit Score of the mortgagors of the Mortgage Loans at origination was approximately 748.

Credit Score of the Mortgagors of the Mortgage Loans at Origination — Pool 1

Range of Original Credit Scores	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
620 to 639	1	435,687.60	0.27	435,687.60	3.875	634	48	48
640 to 659	2	770,795.21	0.48	385,397.61	3.896	646	55	66
660 to 679	4	1,989,131.36	1.23	497,282.84	4.078	671	50	51
680 to 699	12	6,207,208.57	3.85	517,267.38	3.998	691	66	67
700 to 719	30	15,679,050.33	9.72	522,635.01	3.974	708	68	69
720 to 739	39	19,958,722.58	12.37	511,762.12	4.000	729	70	71
740 to 759	48	25,609,800.89	15.87	533,537.52	3.974	749	68	69
760 to 779	62	32,865,219.01	20.37	530,084.18	3.955	770	67	69
780 to 799	78	40,948,510.41	25.38	524,980.90	3.955	790	69	71
800 to 819	33	16,861,445.00	10.45	510,952.88	3.905	806	69	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The weighted average Credit Score of the mortgagors of the Pool 1 Loans at origination was approximately 759.

Credit Score of the Mortgagors of the Mortgage Loans at Origination — Pool 2

Range of Original Credit Scores	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
620 to 639	3	1,517,616.17	0.81	505,872.06	4.764	634	69	69
640 to 659	7	3,869,866.19	2.07	552,838.03	4.639	649	65	65
660 to 679	24	12,627,218.91	6.75	526,134.12	4.420	670	66	68
680 to 699	42	22,446,486.20	12.00	534,440.15	4.352	689	72	73
700 to 719	55	28,806,013.26	15.40	523,745.70	4.397	709	68	70
720 to 739	40	21,451,414.21	11.47	536,285.36	4.338	729	69	71
740 to 759	60	30,701,505.03	16.41	511,691.75	4.346	750	67	69
760 to 779	44	24,359,296.51	13.02	553,620.38	4.319	771	71	74
780 to 799	53	28,398,258.58	15.18	535,816.20	4.364	789	72	73
800 to 819	23	12,367,880.16	6.61	537,733.92	4.460	805	62	63
820 to 839	1	504,731.13	0.27	504,731.13	4.180	822	73	73
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The weighted average Credit Score of the mortgagors of the Pool 2 Loans at origination was approximately 738.

Debt-to-Income Ratio of the Mortgage Loans at Origination

Range of Original Debt-to-Income Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
6 to 10	3	1,630,795.97	0.47	543,598.66	4.270	762	68	68
11 to 15	4	1,918,477.91	0.55	479,619.48	4.534	732	60	60
16 to 20	16	8,580,311.50	2.46	536,269.47	4.159	766	64	65
21 to 25	51	26,310,200.64	7.55	515,886.29	4.138	756	71	72
26 to 30	81	42,411,048.54	12.17	523,593.19	4.174	747	71	71
31 to 35	109	56,413,514.08	16.19	517,555.18	4.142	751	70	72
36 to 40	157	83,376,598.40	23.93	531,061.14	4.202	750	70	72
41 to 45	175	92,655,842.86	26.60	529,461.96	4.198	736	66	67
46 to 50	65	35,079,067.41	10.07	539,677.96	4.200	759	67	68
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The weighted average debt-to-income ratio of the Mortgage Loans at origination was approximately 36%.

Debt-to-Income Ratio of the Mortgage Loans at Origination — Pool 1

Range of Original Debt-to-Income Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
6 to 10	1	577,716.66	0.36	577,716.66	4.125	715	75	75
16 to 20	8	4,091,557.23	2.54	511,444.65	3.914	777	60	62
21 to 25	27	14,048,338.90	8.71	520,308.85	3.977	768	67	68
26 to 30	41	21,108,396.90	13.08	514,838.95	3.946	760	72	73
31 to 35	56	28,534,548.11	17.69	509,545.50	3.950	763	69	71
36 to 40	69	36,653,146.36	22.72	531,205.02	4.002	757	69	71
41 to 45	76	39,693,659.52	24.60	522,284.99	3.935	754	66	66
46 to 50	31	16,618,207.28	10.30	536,071.20	3.982	760	69	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The weighted average debt-to-income ratio of the Pool 1 Loans at origination was approximately 36%.

Debt-to-Income Ratio of the Mortgage Loans at Origination — Pool 2

Range of Original Debt-to-Income Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
6 to 10	2	1,053,079.31	0.56	526,539.66	4.350	788	65	65
11 to 15	4	1,918,477.91	1.03	479,619.48	4.534	732	60	60
16 to 20	8	4,488,754.27	2.40	561,094.28	4.383	756	68	68
21 to 25	24	12,261,861.74	6.56	510,910.91	4.322	743	75	78
26 to 30	40	21,302,651.64	11.39	532,566.29	4.399	735	70	70
31 to 35	53	27,878,965.97	14.90	526,018.23	4.338	738	70	73
36 to 40	88	46,723,452.04	24.98	530,948.32	4.359	744	71	72
41 to 45	99	52,962,183.34	28.31	534,971.55	4.396	724	66	68
46 to 50	34	18,460,860.13	9.87	542,966.47	4.396	758	66	67
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The weighted average debt-to-income ratio of the Pool 2 Loans at origination was approximately 37%.

Occupancy Type of the Mortgage Loans

Occupancy Type	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Principal Residence	607	318,066,771.40	91.30	523,997.98	4.152	746	69	70
Investment Property	47	26,827,622.72	7.70	570,800.48	4.571	770	67	67
Second Home	7	3,481,463.19	1.00	497,351.88	4.097	762	66	66
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Occupancy Type of the Mortgage Loans — Pool 1

Occupancy Type	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Principal Residence	301	157,360,706.56	97.54	522,793.05	3.960	759	68	69
Second Home	5	2,453,717.34	1.52	490,743.47	4.048	771	64	64
Investment Property	3	1,511,147.06	0.94	503,715.69	4.125	738	67	67
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Occupancy Type of the Mortgage Loans — Pool 2

Occupancy Type	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Principal Residence	306	160,706,064.84	85.92	525,183.22	4.340	733	69	71
Investment Property	44	25,316,475.66	13.53	575,374.45	4.598	772	67	67
Second Home	2	1,027,745.85	0.55	513,872.93	4.215	739	71	71
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Loan Purpose of the Mortgage Loans

Loan Purpose	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
No Cash-out Refinance	284	148,982,517.78	42.76	524,586.33	4.126	744	67	67
Purchase	255	135,526,368.49	38.90	531,475.95	4.175	758	75	77
Cash-out Refinance	122	63,866,971.04	18.33	523,499.76	4.337	735	60	60
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Loan Purpose of the Mortgage Loans — Pool 1

Loan Purpose	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
No Cash-out Refinance	151	79,172,937.91	49.08	524,324.09	3.956	755	63	64
Purchase	142	74,085,135.44	45.92	521,726.31	3.966	766	75	76
Cash-out Refinance	16	8,067,497.61	5.00	504,218.60	4.010	736	57	57
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Loan Purpose of the Mortgage Loans — Pool 2

Loan Purpose	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
No Cash-out Refinance	133	69,809,579.87	37.32	524,884.06	4.320	731	70	71
Purchase	113	61,441,233.05	32.85	543,727.73	4.428	748	75	79
Cash-out Refinance	106	55,799,473.43	29.83	526,410.13	4.384	735	60	60
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Property Type of the Mortgage Loans

Property Type	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
1-4 Family Dwelling Unit	497	264,084,216.47	75.80	531,356.57	4.188	747	68	70
Planned Unit Development	136	69,946,768.47	20.08	514,314.47	4.154	748	69	70
Condominium	28	14,344,872.37	4.12	512,316.87	4.250	757	71	72
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Property Type of the Mortgage Loans — Pool 1

Property Type	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
1-4 Family Dwelling Unit	229	119,807,873.41	74.26	523,178.49	3.961	759	68	69
Planned Unit Development	68	35,421,656.10	21.96	520,906.71	3.973	757	69	69
Condominium	12	6,096,041.45	3.78	508,003.45	3.948	777	72	73
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Property Type of the Mortgage Loans — Pool 2

Property Type	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
1-4 Family Dwelling Unit	268	144,276,343.06	77.13	538,344.56	4.377	737	69	70
Planned Unit Development	68	34,525,112.37	18.46	507,722.24	4.340	739	70	72
Condominium	16	8,248,830.92	4.41	515,551.93	4.473	742	70	71
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Geographic Concentration of the Mortgaged Properties (State or Territory)

State or Territory	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
California	406	216,385,135.37	62.11	532,968.31	4.178	746	67	67
Washington	88	43,181,390.85	12.40	490,697.62	4.223	748	72	75
New Jersey	44	23,859,948.21	6.85	542,271.55	4.005	752	76	76
New York	29	16,246,317.01	4.66	560,217.83	4.428	737	66	66
District of Columbia	27	15,231,160.56	4.37	564,117.06	4.213	766	75	77
Virginia	27	13,647,456.94	3.92	505,461.37	4.151	747	73	74
Maryland	23	11,816,419.92	3.39	513,757.39	4.175	764	72	75
Massachusetts	9	4,232,931.64	1.22	470,325.74	4.128	756	64	68
Colorado	3	1,347,612.60	0.39	449,204.20	4.374	713	71	77
Utah	2	877,614.19	0.25	438,807.10	4.188	721	55	55
Hawaii	1	624,896.21	0.18	624,896.21	4.375	809	65	65
Connecticut	1	500,711.37	0.14	500,711.37	4.110	750	80	80
Florida	1	424,262.44	0.12	424,262.44	3.990	772	80	80
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Geographic Concentration of the Mortgaged Properties (State or Territory) — Pool 1

State or Territory	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
California	182	96,646,389.38	59.91	531,024.12	3.959	756	66	67
Washington	38	18,735,696.12	11.61	493,044.63	4.001	759	69	71
New Jersey	30	16,121,492.66	9.99	537,383.09	3.881	761	76	76
District of Columbia	14	7,640,545.47	4.74	545,753.25	3.989	776	76	77
Virginia	14	6,890,178.94	4.27	492,155.64	3.946	768	73	73
Maryland	12	6,110,501.35	3.79	509,208.45	4.025	762	72	74
New York	10	4,978,563.41	3.09	497,856.34	4.035	753	68	69
Massachusetts	5	2,380,431.63	1.48	476,086.33	3.960	781	63	63
Connecticut	1	500,711.37	0.31	500,711.37	4.110	750	80	80
Colorado	1	463,524.47	0.29	463,524.47	4.125	781	74	74
Utah	1	433,273.72	0.27	433,273.72	4.125	739	54	54
Florida	1	424,262.44	0.26	424,262.44	3.990	772	80	80
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Geographic Concentration of the Mortgaged Properties (State or Territory) — Pool 2

State or Territory	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
California	224	119,738,745.99	64.01	534,547.97	4.355	737	67	68
Washington	50	24,445,694.73	13.07	488,913.89	4.393	740	74	78
New York	19	11,267,753.60	6.02	593,039.66	4.602	730	65	65
New Jersey	14	7,738,455.55	4.14	552,746.83	4.261	734	75	76
District of Columbia	13	7,590,615.09	4.06	583,893.47	4.440	757	74	76
Virginia	13	6,757,278.00	3.61	519,790.62	4.359	726	73	75
Maryland	11	5,705,918.57	3.05	518,719.87	4.335	765	71	76
Massachusetts	4	1,852,500.01	0.99	463,125.00	4.343	723	65	75
Colorado	2	884,088.13	0.47	442,044.07	4.505	677	70	78
Hawaii	1	624,896.21	0.33	624,896.21	4.375	809	65	65
Utah	1	444,340.47	0.24	444,340.47	4.250	703	55	55
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Geographic Concentration of the Mortgaged Properties (Top 10 Metropolitan Statistical Areas ("MSA"))

Top 10 MSAs	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Oakland-Hayward-Berkeley, CA	81	43,631,519.04	12.52	538,660.73	4.160	751	65	66
Seattle-Bellevue-Everett, WA	88	43,181,390.85	12.40	490,697.62	4.223	748	72	75
Los Angeles-Long Beach-Glendale, CA	76	40,817,389.42	11.72	537,070.91	4.181	743	67	68
San Jose-Sunnyvale-Santa Clara, CA	61	33,474,425.41	9.61	548,761.07	4.146	743	63	65
Washington-Arlington-Alexandria, DC-VA-MD-WV	56	29,780,818.95	8.55	531,800.34	4.184	757	74	75
Anaheim-Santa Ana-Irvine, CA	45	23,797,300.55	6.83	528,828.90	4.122	751	70	70
New York-Jersey City-White Plains, NY-NJ	41	23,089,517.94	6.63	563,158.97	4.256	740	71	71
San Francisco-Redwood City-South San Francisco, CA	41	22,572,691.67	6.48	550,553.46	4.278	747	62	62
San Diego-Carlsbad, CA	40	20,142,694.71	5.78	503,567.37	4.196	741	72	72
Newark, NJ-PA	22	11,882,360.76	3.41	540,107.31	3.952	764	76	76
Other	110	56,005,748.01	16.08	509,143.16	4.201	747	69	71
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Geographic Concentration of the Mortgaged Properties (Top 10 Metropolitan Statistical Areas ("MSA")) — Pool 1

Top 10 MSAs	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Oakland-Hayward-Berkeley, CA	36	19,569,845.32	12.13	543,606.81	3.963	767	63	64
Los Angeles-Long Beach-Glendale, CA	35	18,985,282.52	11.77	542,436.64	3.986	760	67	69
Seattle-Bellevue-Everett, WA	38	18,735,696.12	11.61	493,044.63	4.001	759	69	71
San Jose-Sunnyvale-Santa Clara, CA	33	17,473,894.07	10.83	529,511.94	3.952	743	61	63
Washington-Arlington-Alexandria, DC-VA-MD-WV	29	14,955,940.31	9.27	515,722.08	3.969	772	75	76
Anaheim-Santa Ana-Irvine, CA	23	12,310,634.73	7.63	535,244.99	3.925	757	71	71
New York-Jersey City-White Plains, NY-NJ	20	10,290,131.92	6.38	514,506.60	3.946	755	73	73
San Diego-Carlsbad, CA	20	9,878,002.92	6.12	493,900.15	3.954	754	70	71
Newark, NJ-PA	17	9,245,477.97	5.73	543,851.65	3.868	763	77	77
San Francisco-Redwood City-South San Francisco, CA	12	6,531,405.03	4.05	544,283.75	3.989	749	57	57
Other	46	23,349,260.05	14.47	507,592.61	3.979	761	69	71
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Geographic Concentration of the Mortgaged Properties
(Top 10 Metropolitan Statistical Areas ("MSA")) — Pool 2

Top 10 MSAs	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Seattle-Bellevue-Everett, WA	50	24,445,694.73	13.07	488,913.89	4.393	740	74	78
Oakland-Hayward-Berkeley, CA	45	24,061,673.72	12.86	534,703.86	4.320	737	67	67
Los Angeles-Long Beach-Glendale, CA	41	21,832,106.90	11.67	532,490.41	4.351	728	67	68
San Francisco-Redwood City-South San Francisco, CA	29	16,041,286.64	8.58	553,147.82	4.395	745	64	64
San Jose-Sunnyvale-Santa Clara, CA	28	16,000,531.34	8.55	571,447.55	4.358	743	66	66
Washington-Arlington-Alexandria, DC-VA-MD-WV	27	14,824,878.64	7.93	549,069.58	4.401	742	73	75
New York-Jersey City-White Plains, NY-NJ	21	12,799,386.02	6.84	609,494.57	4.505	728	69	69
Anaheim-Santa Ana-Irvine, CA	22	11,486,665.82	6.14	522,121.17	4.333	745	69	70
San Diego-Carlsbad, CA	20	10,264,691.79	5.49	513,234.59	4.428	729	73	74
Oxnard-Thousand Oaks-Ventura, CA	8	3,904,217.54	2.09	488,027.19	4.381	711	68	68
Other	61	31,389,153.21	16.78	514,576.28	4.347	743	69	71
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Geographic Concentration of the Mortgaged Properties (Top 10 Three-Digit Zip Codes)

Top 10 Three-Digit Zip Codes	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
945xx	69	36,974,615.20	10.61	535,863.99	4.147	750	66	66
951xx	40	22,413,032.15	6.43	560,325.80	4.155	741	64	66
980xx	41	20,081,640.27	5.76	489,796.10	4.230	747	73	76
981xx	40	19,853,933.81	5.70	496,348.35	4.214	748	70	74
926xx	32	16,761,748.37	4.81	523,804.64	4.089	757	71	72
200xx	27	15,231,160.56	4.37	564,117.06	4.213	766	75	77
950xx	23	12,146,293.25	3.49	528,099.71	4.080	742	64	65
920xx	22	11,103,545.17	3.19	504,706.60	4.287	736	71	72
940xx	19	10,835,800.08	3.11	570,305.27	4.221	763	65	66
941xx	17	9,441,276.01	2.71	555,369.18	4.323	734	57	57
Other	331	173,532,812.44	49.81	524,268.32	4.184	747	69	70
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Geographic Concentration of the Mortgaged Properties (Top 10 Three-Digit Zip Codes) — Pool 1

Top 10 Three-Digit Zip Codes	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
945xx	33	17,920,658.86	11.11	543,050.27	3.966	768	63	64
951xx	22	11,956,377.47	7.41	543,471.70	3.958	740	64	66
926xx	19	10,079,920.67	6.25	530,522.14	3.937	760	73	73
981xx	19	9,442,547.17	5.85	496,976.17	3.972	763	67	70
980xx	17	8,351,275.45	5.18	491,251.50	4.020	754	72	72
200xx	14	7,640,545.47	4.74	545,753.25	3.989	776	76	77
950xx	13	6,801,083.79	4.22	523,160.29	3.893	745	60	62
900xx	11	5,894,293.80	3.65	535,844.89	4.027	757	68	68
921xx	11	5,583,115.08	3.46	507,555.92	3.965	755	70	71
070xx	10	5,551,911.01	3.44	555,191.10	3.820	759	77	77
Other	140	72,103,842.19	44.69	515,027.44	3.969	760	68	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Geographic Concentration of the Mortgaged Properties (Top 10 Three-Digit Zip Codes) — Pool 2

Top 10 Three-Digit Zip Codes	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
945xx	36	19,053,956.34	10.19	529,276.57	4.317	732	68	68
980xx	24	11,730,364.82	6.27	488,765.20	4.381	742	73	79
951xx	18	10,456,654.68	5.59	580,925.26	4.381	741	64	66
981xx	21	10,411,386.64	5.57	495,780.32	4.434	734	73	78
200xx	13	7,590,615.09	4.06	583,893.47	4.440	757	74	76
940xx	13	7,499,062.43	4.01	576,850.96	4.350	760	65	67
920xx	14	7,315,033.52	3.91	522,502.39	4.462	730	71	73
941xx	12	6,803,122.43	3.64	566,926.87	4.435	737	60	60
926xx	13	6,681,827.70	3.57	513,986.75	4.317	753	68	70
950xx	10	5,345,209.46	2.86	534,520.95	4.317	739	69	69
Other	178	94,163,053.24	50.34	529,005.92	4.371	735	69	70
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Original Loan Term of the Mortgage Loans

Original Loan Term (months)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
300	2	985,450.18	0.28	492,725.09	3.732	788	75	75
360	659	347,390,407.13	99.72	527,147.81	4.185	748	69	70
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The weighted average original term to maturity of the Mortgage Loans was approximately 360 months.

Original Loan Term of the Mortgage Loans — Pool 1

Original Loan Term (months)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
300	2	985,450.18	0.61	492,725.09	3.732	788	75	75
360	307	160,340,120.78	99.39	522,280.52	3.965	759	68	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The weighted average original term to maturity of the Pool 1 Loans was approximately 360 months.

Original Loan Term of the Mortgage Loans — Pool 2

Original Loan Term (months)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
360	352	187,050,286.35	100.00	531,392.86	4.375	738	69	70
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The weighted average original term to maturity of the Pool 2 Loans was approximately 360 months.

Remaining Term to Maturity of the Mortgage Loans

Remaining Term to Maturity (months)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
296	1	421,279.39	0.12	421,279.39	3.875	807	74	74
298	1	564,170.79	0.16	564,170.79	3.625	774	76	76
348	2	1,308,994.14	0.38	654,497.07	4.750	717	77	81
349	61	31,467,537.16	9.03	515,861.26	4.333	741	69	70
350	66	35,370,718.70	10.15	535,919.98	4.241	758	70	72
351	48	25,262,187.83	7.25	526,295.58	4.224	745	66	66
352	117	61,355,606.50	17.61	524,406.89	4.140	754	67	68
353	35	17,725,336.67	5.09	506,438.19	4.232	742	65	66
354	85	44,512,401.72	12.78	523,675.31	4.239	747	70	73
355	51	27,178,481.03	7.80	532,911.39	4.349	735	70	70
356	58	29,983,143.02	8.61	516,950.74	4.169	739	71	73
357	33	17,028,143.09	4.89	516,004.34	4.008	745	68	68
358	102	55,768,476.83	16.01	546,749.77	4.013	753	68	71
359	1	429,380.44	0.12	429,380.44	4.000	781	42	42
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

The remaining term to maturity is the difference in months between the Mortgage Loan's maturity date and the Cut-Off Date. The weighted average remaining term to maturity of the Mortgage Loans as of the Cut-Off Date was approximately 353 months.

Remaining Term to Maturity of the Mortgage Loans — Pool 1

Remaining Term to Maturity (months)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
296	1	421,279.39	0.26	421,279.39	3.875	807	74	74
298	1	564,170.79	0.35	564,170.79	3.625	774	76	76
349	13	6,677,928.45	4.14	513,686.80	4.066	760	68	68
350	24	12,550,564.48	7.78	522,940.19	4.032	769	67	68
351	13	6,647,987.95	4.12	511,383.69	4.032	753	65	66
352	60	31,381,982.20	19.45	523,033.04	3.978	762	67	67
353	17	7,999,601.40	4.96	470,564.79	3.958	755	65	65
354	41	21,184,436.58	13.13	516,693.58	4.035	763	70	72
355	12	6,173,672.29	3.83	514,472.69	4.021	740	73	73
356	27	14,028,343.52	8.70	519,568.28	3.950	762	73	73
357	23	12,018,429.68	7.45	522,540.42	3.844	747	66	67
358	76	41,247,793.79	25.57	542,734.13	3.902	758	68	70
359	1	429,380.44	0.27	429,380.44	4.000	781	42	42
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

The remaining loan term to maturity is the difference in months between the Mortgage Loan's maturity date and the Cut-Off Date. The weighted average remaining term to maturity of the Pool 1 Loans as of the Cut-Off Date was approximately 354 months.

Remaining Term to Maturity of the Mortgage Loans — Pool 2

Remaining Term to Maturity (months)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
348	2	1,308,994.14	0.70	654,497.07	4.750	717	77	81
349	48	24,789,608.71	13.25	516,450.18	4.404	736	69	70
350	42	22,820,154.22	12.20	543,337.01	4.355	753	72	74
351	35	18,614,199.88	9.95	531,834.28	4.292	742	66	66
352	57	29,973,624.30	16.02	525,853.06	4.309	746	67	68
353	18	9,725,735.27	5.20	540,318.63	4.457	732	66	66
354	44	23,327,965.14	12.47	530,181.03	4.425	732	70	73
355	39	21,004,808.74	11.23	538,584.84	4.445	733	69	70
356	31	15,954,799.50	8.53	514,670.95	4.362	718	69	72
357	10	5,009,713.41	2.68	500,971.34	4.401	739	71	72
358	26	14,520,683.04	7.76	558,487.81	4.327	740	69	73
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

The remaining loan term to maturity is the difference in months between the Mortgage Loan's maturity date and the Cut-Off Date. The weighted average remaining term to maturity of the Pool 2 Loans as of the Cut-Off Date was approximately 353 months.

Underlying Sellers of the Mortgage Loans

Underlying Seller	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Caliber Home Loans	286	150,873,114.88	43.31	527,528.37	4.239	745	70	72
Quicken Loans, Inc	255	133,017,843.49	38.18	521,638.60	4.176	749	67	68
Fremont Bank	81	44,026,908.74	12.64	543,542.08	4.114	752	64	65
PHH Mortgage Corp	39	20,457,990.20	5.87	524,563.85	3.982	752	75	76
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Underlying Sellers of the Mortgage Loans — Pool 1

Underlying Seller	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Caliber Home Loans	120	62,624,441.97	38.82	521,870.35	3.956	758	71	72
Quicken Loans, Inc	109	56,404,623.47	34.96	517,473.61	4.005	761	66	67
Fremont Bank	50	26,952,278.57	16.71	539,045.57	3.970	757	64	65
PHH Mortgage Corp	30	15,344,226.95	9.51	511,474.23	3.823	760	75	75
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Underlying Sellers of the Mortgage Loans — Pool 2

Underlying Seller	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Caliber Home Loans	166	88,248,672.91	47.18	531,618.51	4.439	735	70	72
Quicken Loans, Inc	146	76,613,220.02	40.96	524,748.08	4.302	740	68	69
Fremont Bank	31	17,074,630.17	9.13	550,794.52	4.342	744	64	65
PHH Mortgage Corp	9	5,113,763.25	2.73	568,195.92	4.460	729	75	78
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Underlying Servicers of the Mortgage Loans*

Underlying Servicer	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Caliber Home Loans	286	150,873,114.88	43.31	527,528.37	4.239	745	70	72
Quicken Loans, Inc	255	133,017,843.49	38.18	521,638.60	4.176	749	67	68
Fremont Bank	81	44,026,908.74	12.64	543,542.08	4.114	752	64	65
PHH Mortgage Corp	39	20,457,990.20	5.87	524,563.85	3.982	752	75	76
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Underlying Servicers of the Mortgage Loans — Pool 1*

Underlying Servicer	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Caliber Home Loans	120	62,624,441.97	38.82	521,870.35	3.956	758	71	72
Quicken Loans, Inc	109	56,404,623.47	34.96	517,473.61	4.005	761	66	67
Fremont Bank	50	26,952,278.57	16.71	539,045.57	3.970	757	64	65
PHH Mortgage Corp	30	15,344,226.95	9.51	511,474.23	3.823	760	75	75
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Underlying Servicers of the Mortgage Loans — Pool 2*

Underlying Servicer	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Caliber Home Loans	166	88,248,672.91	47.18	531,618.51	4.439	735	70	72
Quicken Loans, Inc	146	76,613,220.02	40.96	524,748.08	4.302	740	68	69
Fremont Bank	31	17,074,630.17	9.13	550,794.52	4.342	744	64	65
PHH Mortgage Corp	9	5,113,763.25	2.73	568,195.92	4.460	729	75	78
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

* Underlying Servicer as of July 1, 2016

Channel of the Mortgage Loans

Channel	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Retail	384	198,844,035.46	57.08	517,823.01	4.178	749	69	70
Broker	234	126,240,555.93	36.24	539,489.56	4.185	747	69	70
Correspondent	43	23,291,265.92	6.69	541,657.35	4.230	739	66	66
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Channel of the Mortgage Loans — Pool 1

Channel	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Retail	185	94,923,897.79	58.84	513,102.15	3.980	760	69	70
Broker	106	56,698,759.71	35.15	534,893.96	3.946	758	67	69
Correspondent	18	9,702,913.46	6.01	539,050.75	3.900	759	64	64
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Channel of the Mortgage Loans — Pool 2

Channel	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Retail	199	103,920,137.67	55.56	522,211.75	4.360	740	68	70
Broker	128	69,541,796.22	37.18	543,295.28	4.379	738	70	71
Correspondent	25	13,588,352.46	7.26	543,534.10	4.465	725	67	68
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

First Payment Date of the Mortgage Loans

First Payment Date	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
August 2015	2	1,308,994.14	0.38	654,497.07	4.750	717	77	81
September 2015	61	31,467,537.16	9.03	515,861.26	4.333	741	69	70
October 2015	66	35,370,718.70	10.15	535,919.98	4.241	758	70	72
November 2015	48	25,262,187.83	7.25	526,295.58	4.224	745	66	66
December 2015	117	61,355,606.50	17.61	524,406.89	4.140	754	67	68
January 2016	35	17,725,336.67	5.09	506,438.19	4.232	742	65	66
February 2016	85	44,512,401.72	12.78	523,675.31	4.239	747	70	73
March 2016	51	27,178,481.03	7.80	532,911.39	4.349	735	70	70
April 2016	59	30,404,422.41	8.73	515,329.19	4.165	740	71	73
May 2016	33	17,028,143.09	4.89	516,004.34	4.008	745	68	68
June 2016	103	56,332,647.62	16.17	546,918.91	4.009	753	69	71
July 2016	1	429,380.44	0.12	429,380.44	4.000	781	42	42
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

First Payment Date of the Mortgage Loans — Pool 1

First Payment Date	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
September 2015	13	6,677,928.45	4.14	513,686.80	4.066	760	68	68
October 2015	24	12,550,564.48	7.78	522,940.19	4.032	769	67	68
November 2015	13	6,647,987.95	4.12	511,383.69	4.032	753	65	66
December 2015	60	31,381,982.20	19.45	523,033.04	3.978	762	67	67
January 2016	17	7,999,601.40	4.96	470,564.79	3.958	755	65	65
February 2016	41	21,184,436.58	13.13	516,693.58	4.035	763	70	72
March 2016	12	6,173,672.29	3.83	514,472.69	4.021	740	73	73
April 2016	28	14,449,622.91	8.96	516,057.96	3.948	764	73	73
May 2016	23	12,018,429.68	7.45	522,540.42	3.844	747	66	67
June 2016	77	41,811,964.58	25.92	543,012.53	3.899	758	69	70
July 2016	1	429,380.44	0.27	429,380.44	4.000	781	42	42
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

First Payment Date of the Mortgage Loans — Pool 2

First Payment Date	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
August 2015	2	1,308,994.14	0.70	654,497.07	4.750	717	77	81
September 2015	48	24,789,608.71	13.25	516,450.18	4.404	736	69	70
October 2015	42	22,820,154.22	12.20	543,337.01	4.355	753	72	74
November 2015	35	18,614,199.88	9.95	531,834.28	4.292	742	66	66
December 2015	57	29,973,624.30	16.02	525,853.06	4.309	746	67	68
January 2016	18	9,725,735.27	5.20	540,318.63	4.457	732	66	66
February 2016	44	23,327,965.14	12.47	530,181.03	4.425	732	70	73
March 2016	39	21,004,808.74	11.23	538,584.84	4.445	733	69	70
April 2016	31	15,954,799.50	8.53	514,670.95	4.362	718	69	72
May 2016	10	5,009,713.41	2.68	500,971.34	4.401	739	71	72
June 2016	26	14,520,683.04	7.76	558,487.81	4.327	740	69	73
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Maturity Date of the Mortgage Loans

Maturity Date	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
March 2041	1	421,279.39	0.12	421,279.39	3.875	807	74	74
May 2041	1	564,170.79	0.16	564,170.79	3.625	774	76	76
July 2045	2	1,308,994.14	0.38	654,497.07	4.750	717	77	81
August 2045	61	31,467,537.16	9.03	515,861.26	4.333	741	69	70
September 2045	66	35,370,718.70	10.15	535,919.98	4.241	758	70	72
October 2045	48	25,262,187.83	7.25	526,295.58	4.224	745	66	66
November 2045	117	61,355,606.50	17.61	524,406.89	4.140	754	67	68
December 2045	35	17,725,336.67	5.09	506,438.19	4.232	742	65	66
January 2046	85	44,512,401.72	12.78	523,675.31	4.239	747	70	73
February 2046	51	27,178,481.03	7.80	532,911.39	4.349	735	70	70
March 2046	58	29,983,143.02	8.61	516,950.74	4.169	739	71	73
April 2046	33	17,028,143.09	4.89	516,004.34	4.008	745	68	68
May 2046	102	55,768,476.83	16.01	546,749.77	4.013	753	68	71
June 2046	1	429,380.44	0.12	429,380.44	4.000	781	42	42
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Maturity Date of the Mortgage Loans — Pool 1

Maturity Date	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
March 2041	1	421,279.39	0.26	421,279.39	3.875	807	74	74
May 2041	1	564,170.79	0.35	564,170.79	3.625	774	76	76
August 2045	13	6,677,928.45	4.14	513,686.80	4.066	760	68	68
September 2045	24	12,550,564.48	7.78	522,940.19	4.032	769	67	68
October 2045	13	6,647,987.95	4.12	511,383.69	4.032	753	65	66
November 2045	60	31,381,982.20	19.45	523,033.04	3.978	762	67	67
December 2045	17	7,999,601.40	4.96	470,564.79	3.958	755	65	65
January 2046	41	21,184,436.58	13.13	516,693.58	4.035	763	70	72
February 2046	12	6,173,672.29	3.83	514,472.69	4.021	740	73	73
March 2046	27	14,028,343.52	8.70	519,568.28	3.950	762	73	73
April 2046	23	12,018,429.68	7.45	522,540.42	3.844	747	66	67
May 2046	76	41,247,793.79	25.57	542,734.13	3.902	758	68	70
June 2046	1	429,380.44	0.27	429,380.44	4.000	781	42	42
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Maturity Date of the Mortgage Loans — Pool 2

Maturity Date	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
July 2045	2	1,308,994.14	0.70	654,497.07	4.750	717	77	81
August 2045	48	24,789,608.71	13.25	516,450.18	4.404	736	69	70
September 2045	42	22,820,154.22	12.20	543,337.01	4.355	753	72	74
October 2045	35	18,614,199.88	9.95	531,834.28	4.292	742	66	66
November 2045	57	29,973,624.30	16.02	525,853.06	4.309	746	67	68
December 2045	18	9,725,735.27	5.20	540,318.63	4.457	732	66	66
January 2046	44	23,327,965.14	12.47	530,181.03	4.425	732	70	73
February 2046	39	21,004,808.74	11.23	538,584.84	4.445	733	69	70
March 2046	31	15,954,799.50	8.53	514,670.95	4.362	718	69	72
April 2046	10	5,009,713.41	2.68	500,971.34	4.401	739	71	72
May 2046	26	14,520,683.04	7.76	558,487.81	4.327	740	69	73
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

First Time Homebuyer

First Time Homebuyer	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
No	567	299,032,118.49	85.84	527,393.51	4.191	747	67	68
Yes	94	49,343,738.82	14.16	524,933.39	4.145	752	76	79
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

First Time Homebuyer — Pool 1

First Time Homebuyer	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
No	253	131,844,437.84	81.73	521,124.26	3.961	759	66	67
Yes	56	29,481,133.12	18.27	526,448.81	3.971	760	76	78
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

First Time Homebuyer — Pool 2

First Time Homebuyer	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
No	314	167,187,680.65	89.38	532,444.84	4.371	738	68	69
Yes	38	19,862,605.70	10.62	522,700.15	4.402	739	77	82
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Number of Borrowers

Number of Borrowers	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
1	255	135,146,117.52	38.79	529,984.77	4.176	748	68	69
2 or more	406	213,229,739.79	61.21	525,196.40	4.189	747	69	71
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Number of Borrowers — Pool 1

Number of Borrowers	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
1	121	63,280,151.47	39.23	522,976.46	3.959	759	68	69
2 or more	188	98,045,419.49	60.77	521,518.19	3.966	759	68	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Number of Borrowers — Pool 2

Number of Borrowers	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
1	134	71,865,966.05	38.42	536,313.18	4.367	740	67	69
2 or more	218	115,184,320.30	61.58	528,368.44	4.379	737	70	72
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Number of Units

Number of Units	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
1	647	337,367,140.21	96.84	521,432.98	4.171	748	69	70
2	5	3,534,807.42	1.01	706,961.48	4.579	769	61	61
3	7	5,526,178.50	1.59	789,454.07	4.620	739	59	60
4	2	1,947,731.18	0.56	973,865.59	4.492	763	70	70
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Number of Units — Pool 1

Number of Units	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
1	309	161,325,570.96	100.00	522,089.23	3.963	759	68	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Number of Units — Pool 2

Number of Units	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
1	338	176,041,569.25	94.11	520,833.05	4.361	737	69	71
2	5	3,534,807.42	1.89	706,961.48	4.579	769	61	61
3	7	5,526,178.50	2.95	789,454.07	4.620	739	59	60
4	2	1,947,731.18	1.04	973,865.59	4.492	763	70	70
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Lien Position of the Mortgage Loans at Origination

Lien Position	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
First Lien	661	348,375,857.31	100.00	527,043.66	4.184	748	69	70
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Lien Position of the Mortgage Loans at Origination — Pool 1

Lien Position	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
First Lien	309	161,325,570.96	100.00	522,089.23	3.963	759	68	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Lien Position of the Mortgage Loans at Origination — Pool 2

Lien Position	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
First Lien	352	187,050,286.35	100.00	531,392.86	4.375	738	69	70
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Mortgage Loans with Subordinate Financing at Origination

Mortgage Loans with Subordinate Financing at Origination	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
No	580	305,081,258.89	87.57	526,002.17	4.178	749	69	69
Yes	81	43,294,598.42	12.43	534,501.22	4.225	741	66	77
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Mortgage Loans with Subordinate Financing at Origination — Pool 1

Mortgage Loans with Subordinate Financing at Origination	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
No	274	142,651,127.10	88.42	520,624.55	3.957	761	69	69
Yes	35	18,674,443.86	11.58	533,555.54	4.009	745	61	70
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Mortgage Loans with Subordinate Financing at Origination — Pool 2

Mortgage Loans with Subordinate Financing at Origination	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
No	306	162,430,131.79	86.84	530,817.42	4.373	738	69	69
Yes	46	24,620,154.56	13.16	535,220.75	4.388	738	70	81
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Mortgage Insurance Coverage Level

Mortgage Insurance Coverage Level	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
None	661	348,375,857.31	100.00	527,043.66	4.184	748	69	70
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Mortgage Insurance Coverage Level — Pool 1

Mortgage Insurance Coverage Level	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
None	309	161,325,570.96	100.00	522,089.23	3.963	759	68	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Mortgage Insurance Coverage Level — Pool 2

Mortgage Insurance Coverage Level	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
None	352	187,050,286.35	100.00	531,392.86	4.375	738	69	70
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Delinquency Status of the Mortgage Loans as of May 31, 2016

Delinquency Status	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Current	661	348,375,857.31	100.00	527,043.66	4.184	748	69	70
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Delinquency Status of the Mortgage Loans as of May 31, 2016 — Pool 1

Delinquency Status	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Current	309	161,325,570.96	100.00	522,089.23	3.963	759	68	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Delinquency Status of the Mortgage Loans as of May 31, 2016 — Pool 2

Delinquency Status	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Interest Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Current	352	187,050,286.35	100.00	531,392.86	4.375	738	69	70
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Historical Delinquency Status of the Mortgage Loans as of May 31, 2016

Historical Delinquency	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Mortgage Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Never Delinquent	657	346,269,645.94	99.40	527,046.65	4.183	748	69	70
1 time D30	4	2,106,211.37	0.60	526,552.84	4.395	699	71	71
Total/Weighted Average:	**661**	**348,375,857.31**	**100.00**	**527,043.66**	**4.184**	**748**	**69**	**70**

Historical Delinquency Status of the Mortgage Loans as of May 31, 2016 — Pool 1

Historical Delinquency	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Mortgage Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Never Delinquent	309	161,325,570.96	100.00	522,089.23	3.963	759	68	69
Total/Weighted Average:	**309**	**161,325,570.96**	**100.00**	**522,089.23**	**3.963**	**759**	**68**	**69**

Historical Delinquency Status of the Mortgage Loans as of May 31, 2016 — Pool 2

Historical Delinquency	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Mortgage Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Never Delinquent	348	184,944,074.98	98.87	531,448.49	4.374	738	69	70
1 time D30	4	2,106,211.37	1.13	526,552.84	4.395	699	71	71
Total/Weighted Average:	**352**	**187,050,286.35**	**100.00**	**531,392.86**	**4.375**	**738**	**69**	**70**

Appendix B

Diligence Provider's Data Integrity Review Discrepancies[1][2]

Loan Identifier	Record Type	Mortgage Loan File Data	Diligence Provider Data
N/A	Original Combined Loan-To-Value (CLTV)	60%	59%
N/A	Original Loan-To-Value (LTV)	60%	59%
N/A	Original HELOC Combined Loan-To-Value (HCLTV)	60%	59%
N/A	Original Debt-To-Income (DTI) Ratio	44%	58%
16SC01000330	First-time Homebuyer	No	Yes
16SC01000378	First-time Homebuyer	No	Yes
16SC01000400	Original Debt-To-Income (DTI) Ratio	24%	32%
16SC01000438	First-time Homebuyer	No	Yes
16SC01000583	Original Combined Loan-To-Value (CLTV)	90%	91%
16SC01000326	Channel	Retail	Correspondent
16SC01000372	Property Valuation Date	11/2015	12/2015
16SC01000576	Channel	Broker	Correspondent

(1) Excludes loans with DTI differences of less than or equal to 5%.
(2) Four of the discrepancies (as represented by loan identifier designated as "N/A") correspond to two mortgage loans that are not included in the Mortgage Pools due to principal payments in full, removal as part of Freddie Mac's quality control process and/or as part of the Diligence Provider's review process.

Appendix C

Assumed Characteristics of the Mortgage Loans
(as of the Cut-Off Date)

Pool Number	Stated Principal Balance ($)	Remaining Term to Maturity (months)	Original Term to Maturity (months)	Per Annum Interest Rate (%)
1	420,856.62	357	360	3.250
	5,418,259.52	351	354	3.625
	500,963.83	358	360	3.675
	1,760,375.65	358	360	3.700
	24,104,704.50	356	360	3.750
	619,852.54	354	360	3.800
	476,877.15	354	360	3.830
	29,512,912.99	355	359	3.875
	292,214.46	352	360	3.930
	521,185.41	356	360	3.950
	17,874,483.74	353	360	3.990
	9,836,642.73	356	360	4.000
	494,199.58	352	360	4.030
	439,501.47	353	360	4.031
	18,190,713.95	352	360	4.050
	607,607.64	355	360	4.059
	524,231.25	355	360	4.090
	500,711.37	350	360	4.110
	49,229,276.56	354	360	4.125
2	29,075,745.19	351	360	4.180
	611,237.75	350	360	4.196
	7,473,718.82	354	360	4.200
	57,021,392.01	353	360	4.250
	1,608,840.40	354	360	4.300
	40,722,603.47	354	360	4.375
	587,903.47	350	360	4.420
	1,047,813.75	353	360	4.450
	11,281,608.08	352	360	4.500
	433,848.85	355	360	4.550
	17,731,835.12	353	360	4.625
	13,222,899.25	352	360	4.750
	480,898.24	350	360	4.800
	5,165,695.47	353	360	4.875
	584,246.48	353	360	5.200

Appendix D

Selling Restrictions

Canada

Each Underwriter has represented, warranted and agreed that:

(a) the sale and delivery of any Offered Certificates to any purchaser who is located or resident in Canada or otherwise subject to the laws of Canada or who is purchasing for a principal who is located or resident in Canada or otherwise subject to the laws of Canada (each such purchaser or principal, a **"Canadian Purchaser"**) by such Underwriter shall be made so as to be exempt from the prospectus filing requirements and exempt from, or in compliance with, the dealer registration requirements of all applicable securities laws, regulations, rules, instruments, rulings and orders, including those applicable in each of the provinces and territories of Canada (as defined in this section, the **"Securities Laws"**);

(b) (i) the Underwriter is an investment dealer as defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (**"NI 31-103"**); or (ii) any sale and delivery of any Offered Certificates to a Canadian Purchaser will be made through (A) an affiliate of the relevant Underwriter that is a registered investment dealer, exempt market dealer or restricted dealer; or (B) in compliance with the international dealer exemption from the dealer registration requirements, and otherwise in compliance with the representations, warranties, and agreements set out herein;

(c) each Canadian Purchaser is entitled under the Securities Laws to acquire the Offered Certificates without a prospectus qualified under the Securities Laws, and such purchaser, (A) is a "permitted client" as defined in section 1.1 of NI 31-103 and an "accredited investor" as defined in section 73.3 of the Securities Act (Ontario) and National Instrument 45-106 Prospectus Exemptions (**"NI 45-106"**) and is a person to which a Underwriter relying on the international dealer exemption from the dealer registration requirements or a Underwriter registered as a restricted dealer may sell the Offered Certificates, or (B) is an "accredited investor" as defined in section 73.3 of the Securities Act (Ontario) and NI 45-106 who is purchasing the Offered Certificates from a registered investment dealer or exempt market dealer;

(d) it will ensure that each Canadian Purchaser purchasing from it (i) has represented to it that such Canadian Purchaser is resident in Canada; (ii) has represented to it which categories set forth in the relevant definition of "accredited investor" in section 73.3 of the Securities Act (Ontario) and NI 45-106 or "permitted client" in section 1.1 of NI 31-103, or both, as applicable, correctly describes such Canadian Purchaser; and (iii) consents to disclosure of all required information about the purchase to the relevant Canadian securities regulators or regulatory authorities;

(e) it has not provided and will not provide to any Canadian Purchaser any document or other material that would constitute an offering memorandum (other than this Offering Circular with respect to the private placement of the Offered Certificates in Canada) within the meaning of the Securities Laws;

(f) it has not provided and will not provide any document or other material that would constitute an offering memorandum within the meaning of the Securities Laws to a Canadian Purchaser outside the provinces of Alberta, British Columbia, Ontario and Quebec;

(g) it has not made and it will not make any written or oral representations to any Canadian Purchaser:

(i) that any person will resell or repurchase the Offered Certificates purchased by such Canadian Purchaser;

(ii) that the Offered Certificates will be freely tradeable by the Canadian Purchaser without any restrictions or hold periods;

(iii) that any person will refund the purchase price of the Offered Certificates; or

(iv) as to the future price or value of the Offered Certificates; and

(h) it will inform each Canadian Purchaser that:

(i) we are not a "reporting issuer" and are not, and may never be, a reporting issuer in any province or territory of Canada and there currently is no public market in Canada for any of the Offered Certificates, and one may never develop;

(ii) the Offered Certificates will be subject to resale restrictions under applicable Securities Law; and

(iii) such Canadian Purchaser's name and other specified information will be disclosed to the relevant Canadian securities regulators or regulatory authorities and may become available to the public in accordance with applicable laws.

European Economic Area

In relation to each Relevant Member State, each Underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **"Relevant Implementation Date"**) it has not made and will not make an offer of Offered Certificates to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Offered Certificates to the public in that Relevant Member State at any time: (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Offered Certificates shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Offered Certificates to the public" in relation to any Offered Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Offered Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Offered Certificates, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Japan

The Offered Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **"FIEA"**) and, accordingly, each Underwriter undertakes that it will not offer or sell any Offered Certificates directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Korea

The Issuer is not making any representation with respect to eligibility of any recipients of this Offering Circular to acquire the Offered Certificates referred to herein under the laws of Korea. The Offered Certificates offered under this Offering Circular have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Service and Capital Markets Act (**"FSCMA"**) and are therefore subject to certain transfer restrictions. The Offered Certificates may not be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Law of Korea) except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law and the decrees and regulations thereunder.

People's Republic of China

The Offered Certificates may not be offered or sold directly or indirectly within the borders of the People's Republic of China ("**PRC**" which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan). The offering material or information contained herein relating to the Offered Certificates, which has not been and will not be submitted to or approved/verified by or registered with any relevant governmental authorities in the PRC (including but not limited to the China Securities Regulatory Commission), may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Offered Certificates in the PRC. The offering material or information contained herein relating to the Offered Certificates does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. The Offered Certificates may only be offered or sold to PRC investors that are authorized to engage in the purchase of Offered Certificates of the type being offered or sold, including but not limited to those that are authorized to engage in the purchase and sale of foreign exchange for themselves and on behalf of their customers and/or the purchase and sale of government bonds or financial bonds and/or the purchase and sale of debt securities denominated in foreign currency other than stocks. PRC investors are responsible for obtaining all relevant approvals/licences, verification and/or registrations themselves from relevant governmental authorities (including but not limited to the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission), and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations.

Singapore

The Underwriters have acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the **"SFA"**). Accordingly, each Underwriter has represented, warranted and agreed that it will neither offer nor sell the Offered Certificates pursuant to an offering nor make the Offered Certificates the subject of an invitation for subscription or purchase whether directly or indirectly, and has not circulated or distributed, nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Offered Certificates, whether directly or indirectly, to any person in Singapore other than under exemptions provided in the SFA for offers made (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person to whom an offer referred to in Section 275(1A) of the SFA is made, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Investors should note that any subsequent sale of the Offered Certificates acquired pursuant to an offer in this Offering Circular made under exemptions (a) or (b) above within a period of six months from the date of initial acquisition is restricted to (i) institutional investors (as defined in Section 4A of the SFA); (ii) relevant persons as defined in Section 275(2) of the SFA; or (iii) persons pursuant to an offer referred to in Section 275(1A) of the SFA, unless expressly specified otherwise in Section 276(7) of the SFA.

Each Underwriter has also represented, warranted and agreed to notify (whether through the distribution of this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Offered Certificates or otherwise) each of the following relevant persons specified in Section 276 of the SFA which has subscribed or purchased Offered Certificates from and through Freddie Mac or one of the Underwriters, namely a person who is:

(A) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(B) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

that the securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred for six months after that corporation or that trust has acquired the Offered Certificates pursuant to an offer made in reliance on an exemption under Section 275 of the SFA except: (1) to an institutional investor (as defined in Section 4A of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA), or (in the case of such corporation where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Taiwan

The Offered Certificates have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorized to offer or sell the Offered Certificates in Taiwan, the Republic of China.

United Kingdom

Each of the Underwriters has represented and agreed that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity, within the meaning of section 21 of the United Kingdom Financial Services and Markets Act 2000, as amended (the **"FSMA"**), received by it in connection with the issue or sale of any Offered Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offered Certificates in, from or otherwise involving the United Kingdom.

Appendix E

Representations and Warranties*

Representations and Warranties	Sunset (Provisions /Exclusions)
1. Property Valuation Each Mortgage Loan with a written appraisal, as indicated on the Mortgage Loan Schedule attached to the Pooling and Servicing Agreement (the **"Mortgage Loan Schedule"**), contains a written appraisal prepared by an appraiser licensed or certified by the applicable governmental body in which the mortgaged property is located and in accordance with the requirements of Title XI of the Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA). The appraisal was written in form and substance to customary Freddie Mac standards for mortgage loans of the same type as the Mortgage Loans and Uniform Standards of Professional Appraisal Practice (USPAP) standards and satisfies applicable legal and regulatory requirements. The appraisal was made and signed prior to the final approval of each Mortgage Loan application. To the best of the Seller's knowledge, the person performing any property valuation (including an appraiser) received no benefit from, and such person's compensation or flow of business from the loan originator was not affected by, the approval or disapproval of the Mortgage Loan.	Sunset
2. No Damage/Condemnation To the best of Seller's knowledge, the mortgaged property is undamaged by water, fire, earthquake, earth movement other than earthquake, windstorm, flood, tornado, or similar casualty (excluding casualty from the presence of hazardous wastes or hazardous substances) to affect adversely the value of the mortgaged property as security for the Mortgage Loan or the use for which the premises was intended or would render the property uninhabitable. Additionally, to the best of the Seller's knowledge, there is no proceeding (pending or threatened) for the total or partial condemnation of the mortgaged property.	No Sunset
3. Certificate of Occupancy To the best of the Seller's knowledge, all inspections, licenses, and certificates required to be made with respect to all occupied portions of the mortgaged property and the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate governmental authorities.	No Sunset
4. Source of Loan Payments With respect to each Mortgage Loan, no portion of the loan proceeds has been escrowed for the purpose of making monthly payments on behalf of the mortgagor and no payments due and payable under the terms of the note and mortgage or deed of trust, except for financing, sales, seller or builder concessions or amounts paid or escrowed for payment by the mortgagor's employer, have been paid by any person (other than a guarantor) who was involved in or benefited from the sale of the mortgaged property or the origination, refinancing, sale or servicing of the Mortgage Loan. To the best of Seller's knowledge, no third party has made or intends to make any monthly payment on the Mortgage Loan.	Sunset, except for the provision in the last sentence, which does not sunset.

* To the extent that the representation and warranty states that it is to the best of Seller's knowledge, the Seller makes such representation and warranty without any independent investigation and based solely on the representations and warranties the applicable Underlying Seller has provided to the Seller at the time the Mortgage Loan was sold to Freddie Mac. With respect to representations and warranties that are made to the best of the Seller's knowledge or as to which the Seller has no knowledge, if it is discovered that the substance of any such representation or warranty is inaccurate and such inaccuracy is determined to constitute a Material Breach in accordance with the procedures described herein, then notwithstanding the Seller's lack of knowledge with respect to the substance of such representation or warranty being inaccurate at the time such representation or warranty was made, such inaccuracy will be deemed a Material Breach.

Representations and Warranties	Sunset (Provisions /Exclusions)
5. Underwriting Each Mortgage Loan was either underwritten in substantial conformance to Freddie Mac's underwriting guidelines in effect at the time of origination without regard to any underwriter discretion or, if not underwritten in substantial conformance to Freddie Mac's guidelines, has reasonable and documented compensating factors.	Sunset
6. Down Payment Unless otherwise indicated on the Mortgage Loan Schedule, with respect to each Mortgage Loan secured by a second home whose purpose is listed on the Mortgage Loan Schedule as purchase, and LTV is >80% the mortgagor paid at least 5% of the purchase price with his/her own funds for purchase loans.	Sunset
7. Mortgage Property is 1-4 Family Each mortgaged property is located in the U.S. or a territory of the U.S. and consists of a one- to four-unit residential property, which may include a single-family dwelling, townhouse, condominium unit or a unit in a planned unit development.	No sunset
8. REMIC Eligible Each Mortgage Loan is a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Internal Revenue Code, as amended.	No sunset
9. Ground Lease Each mortgaged property is either a fee-simple estate or a long term residential lease. If the Mortgage Loan is secured by a long-term residential lease: 1. The terms of such lease expressly permit the mortgaging of the leasehold estate, the assignment of the lease without the lessor's consent (or the lessor's consent has been obtained and such consent is in the mortgage loan file) and the acquisition by the holder of the mortgage of the rights of the lessee upon foreclosure or assignment in lieu of foreclosure or provide the holder of the mortgage with substantially similar protection; 2. The terms of such lease do not allow the termination thereof upon the lessee's default without the holder of the mortgage being entitled to receive written notice of, and opportunity to cure, such default or prohibit the holder of the mortgage from being insured under the hazard insurance policy related to the mortgaged property; 3. The term of such lease does not terminate earlier than five years after the maturity date of the mortgage note; and 4. The mortgaged property is located in a jurisdiction in which the use of leasehold estates for residential properties is an accepted practice.	No sunset
10. Income/Employment Assets With respect to each Mortgage Loan whose document type on the Mortgage Loan Schedule indicates documented income, employment and/or assets, the related Underlying Seller verified the mortgagor's income, employment and/or assets from all acceptable and verifiable sources that the mortgagor's income can reasonably be expected to continue for at least three years from the date of the note evidencing the Mortgage Loan (the **"Note Date"**). With respect to each Mortgage Loan other than a Mortgage Loan for which the mortgagor documented his or her income by providing Form W-2 or tax returns, the related Underlying Seller employed a process designed to test the reasonableness of the income used to approve the Mortgage Loan, this process may need but not include obtaining IRS Form 4506 or 4506T or reviewing public and/or commercially available information.	Sunset
11. Occupancy With respect to each Mortgage Loan, the Seller gave due consideration at the time of origination to factors, including but not limited to other real estate owned by the mortgagor, commuting distance to work and appraiser comments and notes, to evaluate whether the occupancy status of the property as represented by the mortgagor was reasonable.	Sunset

Representations and Warranties	Sunset (Provisions /Exclusions)
12. Borrower With respect to each Mortgage Loan, unless otherwise indicated on the Mortgage Loan Schedule, each mortgagor is a natural person or other acceptable forms (*e.g.*, land trust), and to the best of the Seller's knowledge, at the time of origination, the mortgagor was legally entitled to reside in the U.S.	No sunset
13. No Bankruptcy The Underlying Seller has not received notice that the mortgagor is a debtor in any state or federal bankruptcy or insolvency proceeding. Additionally, unless otherwise indicated on the Mortgage Loan Schedule, no mortgagor was the subject of a bankruptcy proceeding in the four years prior to the origination of the Mortgage Loan, unless there were extenuating circumstances, in which case the mortgagor was not subject to a bankruptcy proceeding in the two years prior to the origination of the Mortgage Loan. Unless otherwise indicated on the Mortgage Loan Schedule, no mortgagor previously owned a property in the seven years prior to the origination of the Mortgage Loan that was the subject of a foreclosure, deed-in-lieu or short sale during the time the mortgagor was the owner of record, unless there were extenuating circumstances, in which case the mortgagor did not previously own a property in the three years prior to the origination of the Mortgage Loan.	Sunset
14. Regulatory Compliance At the time of origination or the date of modification, each Mortgage Loan complied in all material respects with all then-applicable federal, state, and local laws, including (without limitation) truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity, predatory and abusive lending laws and disclosure laws or such noncompliance was cured subsequent to origination, as permitted by applicable law. The servicing of each Mortgage Loan prior to the Closing Date complied in all material respects with all then applicable federal, state and local laws.	No Sunset
15. Doing Business With respect to each Mortgage Loan, all parties that have had any interest in a Mortgage Loan, whether as mortgagee, assignee, pledge or otherwise, are (or during the period in which they held and disposed of such interest, were) in compliance with any and all applicable licensing requirements of the laws of the state wherein the related mortgaged property is located, except to the extent that failure to be so licensed would not give rise to any claim against the Trust.	No sunset
16. Mortgage Status/Enforcement and Priority of Lien/Environmental Laws The mortgage is a valid, subsisting and enforceable first lien on the property therein described, and, except as noted in the Mortgage Loan Schedule, the mortgaged property is free and clear of all encumbrances and liens having priority over the lien of the mortgage, except for: i. The lien of current real property taxes and assessments not yet due and payable; ii. Covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such mortgage acceptable to mortgage lending institutions in the area in which the mortgaged property is located or specifically referred to in the appraisal performed in connection with the origination of the related Mortgage Loan; iii. Liens created pursuant to any federal, state or local law, regulation or ordinance affording liens for the costs of cleanup of hazardous substances or hazardous wastes or for other environmental protection purposes; and, iv. Such other matters to which like properties are commonly subject. In the case of each of the above exceptions that do not individually or in aggregate materially interfere with the benefits of the security intended to be provided by the mortgage; and any security agreement, or equivalent document related to and delivered to the document custodian with any mortgages establishes in the Seller a valid and subsisting first lien on the property described therein, and the Seller has full right to sell and assign the same to the Trust.	No sunset

Representations and Warranties	Sunset (Provisions /Exclusions)
17. No High Cost Loan No Mortgage Loan is a "high-cost" loan, "covered" loan, or any other similarly designated loan as defined under any state, local, or federal law, as defined by applicable predatory and abusing lending laws.	No sunset
18. No Prior Liens Immediately prior to the transfer and assignment contemplated herein, Freddie Mac was the sole owner and holder of the Mortgage Loan free and clear of any and all liens (other than any senior lien indicated on the Mortgage Loan Schedule), pledges, charges or security interests of any nature, and the Seller has good and marketable title and full right and authority to sell and assign the same.	No sunset
19. No Encroachments/Compliance with Zoning Except for Mortgage Loans secured by residential long-term leases, the mortgaged property consists of a fee-simple estate in real property, to the best of the Seller's knowledge, all the improvements included for the purpose of determining the appraised value of the mortgaged property lie wholly within the boundaries and building restriction lines of such property and no improvements on adjoining properties encroach on the mortgaged property, except as set forth in the paragraph below or unless insured against under the related title insurance policy; and to the best of the Seller's knowledge, the mortgaged property and all improvements thereon comply with all requirements of any applicable zoning and subdivision laws and ordinances. Encroachments permitted under this representation and warranty include: (i) subsurface public utility easements; (ii) surface public utility easements; (iii) encroachments on public utility easements; (iv) restrictive agreements and restrictive covenants; (v) mutual easement agreements; (vi) fence misplacements, (vii) oil, gas, water and mineral rights; (viii) liens for taxes not due; (ix) tenants in possession,; (x) sums readvanced; and (xi) any other exception; provided that in each of (i)-(xi), as long as the subject of the exception (a) does not interfere with the use and enjoyment of any present or proposed improvements on the mortgaged property or with the use and enjoyment of the balance of the mortgaged property not occupied by improvements, (b) does not affect the marketability of the mortgaged property, (c) has no or minimal effect on the value of the mortgaged property, (d) is acceptable to any mortgage insurer, and (e) is commonly acceptable to private institutional mortgage investors in the area where the mortgaged property is located.	No sunset
20. Taxes Paid All taxes, governmental assessments, insurance premiums, and water, sewer, and municipal charges that previously became due have been paid, or an escrow of funds has been established, to the extent permitted by law, in an amount sufficient to pay for any such item that remains unpaid.	No sunset
21. No Mechanics Liens The mortgaged property is free and clear of all mechanics' and materialmen's liens, provided that this warranty shall be deemed not to have been made at the time of the initial issuance of the Certificates if a title policy affording, in substance, the same protection afforded by this warranty is furnished to the Trustee by the Seller.	No sunset
22. Mortgage Recorded Each original mortgage was recorded, and all subsequent assignments of the original mortgage have been recorded in the appropriate jurisdictions, are in the process of being recorded or the Trust has been given authorization to record the assignment.	No sunset

Representations and Warranties	Sunset (Provisions /Exclusions)
23. Data The information on the Mortgage Loan Schedule correctly and accurately reflects the information contained in Freddie Mac's records (including, without limitation, the mortgage loan file) in all material respects. With respect to each Mortgage Loan, any seller or builder concession in excess of the allowable limits established by Freddie Mac has been subtracted from the purchase price of the mortgaged property (the "reduced purchase price") for purposes of determining the LTV and CLTV. The lower of the appraised value and reduced purchase price was used to determine LTV and CLTV. As of the Note Date, the most recent FICO score listed on the Mortgage Loan Schedule was no more than six months old. As of the Note Date of the Mortgage Loan to the mortgagor, no appraisal or other property calculation listed on the Mortgage Loan Schedule was more than six months old.	Sunset, except (i) if the data inaccuracies affect five or more mortgages and involve the same delivery data element(s), (ii) the Uniform Loan Delivery Dataset data differs from the information in the mortgage loan file and (iii) the data inaccuracies are "significant" in that, using the information from the mortgage loan file to qualify the mortgagor, mortgaged property and/or project in which the mortgaged property is located, either (a) Freddie Mac determines that the mortgage would not have been eligible for sale under the terms of Seller's purchase documents in effect on the settlement date or (b) Freddie Mac determines that the mortgage would have been eligible for sale, but under different terms.
24. Complete Mortgage Loan File Except as appears on the Mortgage Loan Schedule, the instruments and documents with respect to each Mortgage Loan required to be delivered to the Trustee or document custodian (in trust for the Trustee) on or prior to the Closing Date have been delivered to the Trustee or document custodian (in trust for the Trustee).	No sunset
25. No Prior Modifications Unless otherwise indicated on the Mortgage Loan Schedule, neither the Seller nor any prior holder of the mortgage or the related mortgage note has modified the mortgage or the related mortgage note in any material respect satisfied, cancelled, or subordinated the mortgage in whole or in part, released the mortgaged property in whole or in part from the lien of the mortgage or executed any instrument of release, cancellation, modification or satisfaction.	No sunset
26. Mortgage Loan Legal & Binding The mortgage note, the related mortgage and other agreements executed in connection therewith are genuine, and each is the legal, valid, and binding obligation of the maker thereof, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law). Additionally, to the best of Freddie Mac's knowledge, all parties to the mortgage note and the mortgage had legal capacity to execute the mortgage note and the mortgage, and each mortgage note and mortgage has been duly and properly executed by the mortgagor.	No sunset

Representations and Warranties	Sunset (Provisions /Exclusions)
27. Enforceable Right of Foreclosure Each mortgage contains customary and enforceable provisions to render the rights and remedies of the holder thereof adequate for the realization against the mortgaged property of the benefits of the security, including realization by judicial foreclosure (subject to any limitation arising from any bankruptcy, insolvency or other law for the relief of debtors), and to the best of the Seller's knowledge, there is no homestead or other exemption available to the mortgagor that would interfere with such right of foreclosure.	No sunset
28. Lost Note Affidavit With respect to each mortgage where a lost note affidavit has been delivered to the document custodian in place of the original mortgage note, the related mortgage note is no longer in existence or, after diligent efforts, cannot be located. If such Mortgage Loan is subsequently in default, the enforcement of such Mortgage Loan will not be adversely affected by the absence of the original mortgage note.	No sunset
29. Deeds of Trust In the event the mortgage constitutes a deed of trust, a trustee, duly qualified under applicable law to serve as such, has been properly designated and currently serves and is named in the mortgage, and no fees or expenses are or will become payable by the Underlying Seller to such trustee under the deed of trust, except in connection with a trustee's sale after default by the mortgagor.	No sunset
30. Due-on-Sale The mortgage contains an enforceable provision for the acceleration of the payment of the unpaid principal balance of the Mortgage Loan in the event that the mortgaged property is sold or transferred without the prior written consent of the mortgagee.	No sunset
31. Recordability Each original mortgage was recorded, and all subsequent assignments of the original mortgage have been recorded in the appropriate jurisdictions in which such recordation is necessary to perfect the liens against creditors of the mortgagor or are being recorded.	No sunset

Representations and Warranties	Sunset (Provisions /Exclusions)
32. Fraud No fraud or material error, omission, misrepresentation, negligence, or similar occurrence with respect to a Mortgage Loan has taken place on the part of the Underlying Seller, any correspondent or mortgage broker involved in the origination of such Mortgage Loan, the mortgagor or any appraiser, builder, developer or other party involved in the origination of the Mortgage Loan or in the application of any insurance in relation to such Mortgage Loan.	Sunsets, except if (i) involves three or more Mortgage Loans sold to Freddie Mac by the same seller, (ii) were made pursuant to a common pattern of activity in connection with the mortgage origination or sale, based on information in the mortgage loan file or other facts or circumstances that existed on the settlement date of the loan, which involved at least one party common to all the mortgages (if the common party is the Underlying Seller, then the same individual; if the common party is a third party, then the same individual or entity), and (iii) are “significant” in that, using true and accurate information, either (a) Freddie Mac determines that the mortgage would not have been eligible for sale under the terms of the Underlying Seller’s purchase documents in effect on the settlement date or (b) Freddie Mac determines that the mortgage would have been eligible for sale, but under different circumstances.

Representations and Warranties	Sunset (Provisions /Exclusions)
33. Existence of Title Insurance The Mortgage Loan (except any Mortgage Loan secured by a mortgaged property located in any jurisdiction for which an opinion of counsel of the type customarily rendered in such jurisdiction in lieu of title insurance is instead received) is covered by an American Land Title Association mortgagee title insurance policy or other generally acceptable form of policy or insurance acceptable to Freddie Mac, issued by a title insurer acceptable to Freddie Mac insuring the originator or its successors and assigns as to the first-priority lien of the mortgage in the original principal amount of the Mortgage Loan and subject only to the following: 1. The lien of current real property taxes and assessments not yet due and payable. 2. Covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such mortgage acceptable to mortgage lending institutions in the area in which the mortgaged property is located or specifically referred to in the appraisal performed in connection with the origination of the related Mortgage Loan. 3. Liens created pursuant to any federal, state or local law, regulation or ordinance affording liens for the costs of cleanup of hazardous substances or hazardous wastes or for other environmental protection purposes. 4. Such other matters to which like properties are commonly subject that do not individually, or in the aggregate, materially interfere with the benefits of the security intended to be provided by the mortgage. Provided that, in the case of each of (1)-(4), such exceptions do not individually, or in the aggregate, materially interfere with the benefits of the security intended to be provided by the mortgage. The Underlying Seller and/or the current assignee is the sole insured of such mortgagee title insurance policy, the assignment to the Trust of Freddie Mac's interest in such mortgagee title insurance policy does not require any consent of or notification to the insurer that has not been obtained or made, such mortgagee title insurance policy is in full force and effect and will be in full force and effect and inure to the benefit of the Trustee, no claims have been made under such mortgagee title insurance policy and no prior holder of the related Mortgage, including Freddie Mac, has done, by act or omission, anything that would impair the coverage of such mortgagee title insurance policy.	No sunset
34. Insurance Coverage Not Impaired With respect to any insurance policy, including, but not limited to, hazard, title or mortgage insurance covering a Mortgage Loan and the related mortgaged property, Freddie Mac has not engaged in and has no knowledge of the mortgagor's having engaged in any act or omission that would impair the coverage of any such policy, the benefits of the endorsement or the validity and binding effect of either, including without limitation, no unlawful fee, commission, kickback or other unlawful compensation or value of any kind as has been or will be received, retained or realized by any attorney, firm, or other person or entity, and no such unlawful items have been received, retained or realized by the Seller.	No sunset

Representations and Warranties	Sunset (Provisions /Exclusions)
35. Hazard Insurance The mortgaged property securing each Mortgage Loan is insured by an insurer acceptable to Freddie Mac against loss by fire and such hazards as are covered under a standard extended coverage endorsement in an amount not less than the lesser of 100% of the insurable value of the mortgaged property or the outstanding principal balance of the Mortgage Loan. If the mortgaged property is a condominium unit, it is included under the coverage afforded by a blanket policy for the project. If, upon origination of the Mortgage Loan, the improvements on the mortgaged property were in an area identified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards, a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier in an amount representing coverage not less than the least of the outstanding principal balance of the Mortgage Loan, the full insurable value of the mortgaged property, or the maximum amount of insurance that was available under the National Flood Insurance Act of 1968, as amended. Additionally, each mortgage obligates the mortgagor thereunder to maintain all such insurance at the mortgagor's cost and expense	No sunset
36. Loans Current/Prior Delinquency Unless otherwise indicated on the Mortgage Loan Schedule, all payments required to be made up to the due date immediately preceding the Cut-Off Date for such Mortgage Loan under the terms of the related mortgage note have been made, and no Mortgage Loan had more than one delinquency in the 12 months preceding the Cut-Off Date.	No sunset
37. Proceeds Fully Disbursed/Recording Fees Paid The proceeds of the Mortgage Loan have been fully disbursed, there is no requirement for future advances thereunder, and any and all requirements as to completion of any on-site or off-site improvements and as to disbursements of any escrow funds have been complied with, except for escrow funds established with and controlled by the Underlying Seller or the related Underlying Servicer that also provide for the following minimum requirements: the appraiser has provided a list of the incomplete items along with the cost to complete the incomplete items, the incomplete items do not adversely affect the safety, soundness or habitability of the mortgaged property, the improvements will be satisfactorily completed no more than 180 days after the Note Date, the cost to complete the incomplete items does not exceed 15% of the 'as completed' value of the mortgaged property, and the Underlying Seller has represented that upon completion of all improvements, the Underlying Seller will have the appraiser perform the final inspection of the property and complete the certification of completion report on Form 442. Additionally, all costs, fees and expenses incurred in making, closing or recording the Mortgage Loan have been paid, except recording fees with respect to mortgages not recorded as of the Closing Date.	No sunset
38. No Default To the best of the Seller's knowledge, there is no default, breach, violation or event of acceleration existing under the mortgage or the related mortgage note and no event that, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration. Additionally, to the best of Seller's knowledge, the related Underlying Servicer has not waived any such default, breach, violation or event of acceleration, and no foreclosure action is currently threatened or has been commenced with respect to the Mortgage Loan.	No sunset

Representations and Warranties	Sunset (Provisions /Exclusions)
39. No Rescission No mortgage note or mortgage is subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury, nor will the operation of any of the terms of the mortgage note or mortgage or the exercise of any right thereunder render the mortgage note or mortgage unenforceable in whole or in part or subject it to any right of rescission, set-off, counterclaim or defense, including the defense of usury, and, to the best of Freddie Mac's knowledge, no such right of rescission, set-off, counterclaim or defense has been asserted with respect thereto.	No sunset
40. Usury The Mortgage Loan meets or is exempt from applicable state, federal or local laws, regulations and other requirements pertaining to usury.	No sunset
41. Environmental Laws As of origination of the Mortgage Loan, the mortgaged property was in material compliance with all applicable environmental laws pertaining to environmental hazards, including, without limitation, asbestos. To the best of Freddie Mac's knowledge, as of the Closing Date, there is no pending action or proceeding directly involving the mortgaged property in which compliance with any environmental law, rule, or regulation is an issue.	No sunset

Freddie Mac