



SINGLE SECURITY EXCHANGE DIRECT TO FREDDIE MAC VIA TRADEWEB

FREDDIE-TRADEWEB EXCHANGE:

- Face Freddie Mac directly as your counterparty through Tradeweb
- Freddie Mac will deliver and settle Free of Payment (FOP)
- Tradeweb exchange path will be open for 3-5 years. No cost to exchange on Tradeweb for the first 3 years
- Exchange entry will be available directly through the Tradeweb interface (unsolicited workflow) or automatically via OMS or other system (solicited workflow)
- Post-exchange records and reporting supported as per normal Tradeweb post-trade process/STP

Delivery

- Custodians directly interface with Freddie Mac as the issuer
- Whole or partial CUSIP positions may be exchanged, at the sub-account level

Capacity

- Capacity is around **50,000 exchanges per day** across both paths
- Capacity will be viewable on Tradeweb prior to confirmation of the exchange transaction
- Booking will be available for the current month

Settlement

- Settlement is a minimum of T+1 (T+2 when exchange first opens)
- Transactions booked by noon can be settled the next day (once T+1 is available)
- All settlement activity takes place for both the security and cash same day
- Freddie Mac will have two separate exchange accounts for the incoming 45 day securities (acc no. FHLMC WASH/2BD7) and outgoing 55 day securities (acc no. FHLMC WASH/2BD5)
- Freddie Mac will hold the 45-day security in trust for the investor until exchange is completed
- The float compensation will be paid via a separate cash wire

Booking & Settlement Blackout Dates:

- First 5 business days of the month and last business day
- Reg A & Reg B settlement dates
- REMIC collateral delivery date (EOM -2)

TIMELINE

JANUARY 2019: Onboarding Open

- Submit set-up and KYC documents to Tradeweb
- Set-up Freddie Mac as a counterparty

FEBRUARY 2019: KYC Process Starts

MARCH 2019: Exchange Testing Available

MARCH 12: UMBS Forward Trading Live on Tradeweb

MAY 7: EXCHANGE OPENS

QUESTIONS? CONTACT US: UMBS@tradeweb.com