



Freddie Mac
Sponsor

**MULTIFAMILY STRUCTURED CREDIT RISK (MSCR) NOTES, SERIES 2022-MN5,
FREDDIE MAC MSCR TRUST MN5**

\$52,302,000
(Approximate Offering)

Preliminary Term Sheet
November 9, 2022

Freddie Mac MSCR Trust MN5
Trust and Issuer

U.S. Bank Trust Company, National Association
Indenture Trustee and Custodian

U.S. Bank National Association
Account Bank

Wilmington Trust, National Association
Owner Trustee

\$5,505,577,869
(Approximate Reference Pool Balance)

BofA Securities
Co-Lead Manager and Joint Bookrunner

Wells Fargo Securities
Co-Lead Manager and Joint Bookrunner

Goldman Sachs & Co. LLC
Co-Manager

Multi-Bank Securities, Inc.
Co-Manager

**Performance Trust Capital
Partners, LLC**
Co-Manager



STATEMENT REGARDING ASSUMPTIONS AS TO SECURITIES, PRICING ESTIMATES, AND OTHER INFORMATION

The information contained in this Term Sheet and in the attached materials (collectively, the “Information”) has been provided by one of BofA Securities, Wells Fargo Securities, Goldman Sachs & Co. LLC, Multi-Bank Securities, Inc. and Performance Trust Capital Partners, LLC. (each an “Initial Purchaser” and collectively, the “Initial Purchasers”), and is preliminary and subject to change. The Information does not include all of the information relating to the securities. As such, the Information may not reflect the impact of all structural characteristics of the securities. The assumptions underlying the Information, including structure and the composition of the Reference Pool (as defined below), may be modified from time to time to reflect changed circumstances. This document should be read in conjunction with the Preliminary Private Placement Memorandum dated November 9, 2022 (the “Preliminary PPM”). In the event of any inconsistency between the information included in this document and the Preliminary PPM, the Preliminary PPM shall be considered to supersede this document. This document and the Preliminary PPM will be superseded by any subsequent term sheets, “roadshow materials”, updated pool information and/or any subsequent preliminary private placement memorandum, as well as by a final private placement memorandum relating to the securities discussed herein (the “Final PPM”). The Preliminary PPM and Final PPM will contain data that is current as of their respective publication dates and after publication may no longer be complete or current. A copy of the Preliminary PPM and, after its publication, the Final PPM, may be obtained from the joint bookrunner, BofA Securities, by calling 1-800-294-1322.

Capitalized terms used but not defined herein shall have the respective meanings given to them in the Preliminary PPM.

The securities are limited recourse obligations of Freddie Mac MSCR Trust MN5, payable solely from the Trust Assets. The securities do not represent obligations of any person or entity other than the Trust and do not represent a claim against any assets other than those of the Trust. The United States does not guarantee Freddie Mac’s payment obligations under the Collateral Administration Agreement or the Capital Contribution Agreement. Freddie Mac’s obligations under the Collateral Administration Agreement and the Capital Contribution Agreement are not debts or obligations of the United States or any agency or instrumentality of the United States. In addition, the United States does not guarantee the Notes or any interest or return on the Notes. The Notes are not debts or obligations of Freddie Mac or the United States or any agency or instrumentality of the United States. **The securities described herein will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), or registered or qualified under any state or foreign securities laws, and the offered securities may be offered and sold only (A) in the United States to “qualified institutional buyers” as such term is defined in Rule 144A (“Rule 144A”) under the Securities Act, or (B) in “offshore transactions” to persons who are not “U.S. Persons”, as such terms are defined in, and in accordance with, Regulation S under the Securities Act.**

The securities are linked to the credit risk of the Reference Obligation Percentages of a certain pool (the “Reference Pool”) of multifamily mortgage loans secured by multifamily properties (the “Reference Obligations” and each, a “Reference Obligation”) backing Freddie Mac multifamily participation certificates (“Multi PCs”), but are not backed or secured by the Reference Pool. As of the Cut-off Date, the aggregate principal of the Reference Pool was approximately \$5,505,577,869 and is based, for each Reference Obligation, on the applicable Reference Obligation Percentage of its unpaid principal balance as of the Cut-off Date, and certain of the Reference Obligations represent *pari passu* portions of their respective whole loans. Interest and principal payable on the securities (including payments directed to interests in the securities) will be solely the obligation of the Trust, with the securities having limited recourse to the Trust Assets and being subordinate to the claims of Freddie Mac under the Collateral Administration Agreement and the Indenture.

The Information is preliminary and subject to final structural, accounting and legal review as well as final changes to the composition of the Reference Pool. The analyses, calculations and valuations contained within the Information are based on certain assumptions and data provided by third parties that may vary from the actual characteristics of the final Reference Pool. None of the Initial Purchasers, the Trust or Freddie Mac has verified these analyses, calculations or valuations. Material contained within the Information may also be based on assumptions regarding market conditions and other matters as reflected herein and such assumptions may not coincide with actual market conditions or events. None of the Initial Purchasers, the Trust or Freddie Mac has undertaken to update or amend the Information since the date it was issued. More current information may be available publicly from other sources.

The securities are being offered when, as and if issued. In particular, you are advised that the securities and the Reference Pool are subject to modification or revision (including, among other things, the possibility that one or more classes of securities may be split, combined, or eliminated) at any time prior to issuance or availability of the Final PPM. Any decision to invest in the securities described herein should be made after reviewing the Preliminary PPM and the Final PPM, conducting such investigations as you deem necessary and consulting your own legal, accounting, and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the securities.

The investment described in this Term Sheet is a complex financial product. The securities are complex instruments intended for sale only to sophisticated investors who understand and assume the risks involved with the purchase thereof. The risks associated with the securities may significantly reduce your expected yield and expected return of principal, and/or reduce your ability to sell or obtain market value information about the securities. You should independently evaluate the risks associated with the securities and consult your own professional advisors. These risks may include, but may not be limited to the following:

- The performance of the Reference Pool may be correlated with economic or other factors that may diminish the value of the securities.
- The performance of the Reference Pool and the value of the securities may be largely dependent on the quality of the origination, performance history, and servicing of the mortgage loans included in the Reference Pool.
- The value of the securities may be diminished by market conditions unrelated to the performance of the securities.

To the extent that you choose to utilize third-party predictive models in connection with considering an investment in the securities, neither Freddie Mac nor the Initial Purchasers makes any representation or warranty regarding the accuracy, completeness or appropriateness of any information or reports generated by such models, including, without limitation, whether the securities or the underlying collateral will perform in a manner consistent therewith.

This Term Sheet shall not constitute an underwriting commitment, an offer of financing, an offer to sell, or the solicitation of an offer to buy any securities described herein, and shall be subject to the Initial Purchasers' internal approvals. No transaction or services related thereto is contemplated without the Initial Purchasers' subsequent formal agreement. The Initial Purchasers are not acting as a fiduciary, advisor or agent.

Prior to investing in the securities, you should determine, without reliance upon any Initial Purchaser or its affiliates, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences of the transaction, and independently determine that you are able to assume such risks. In this regard, by acceptance of the Information, you acknowledge that you have been advised that (a) the Initial Purchasers are not in the business of providing legal, tax or accounting advice, (b) you understand that there may be legal, tax or accounting risks associated with the transaction, (c) you should receive legal, tax and accounting advice from advisors with appropriate expertise to assess relevant risks and (d) you should apprise senior management in your organization as to the legal, tax and accounting advice (and, if applicable, risks) associated with this transaction and the Initial Purchasers' disclaimers as to these matters.

The Information may not be forwarded or provided by you to any other person. An investor or potential investor in the securities (and each employee, representative, or other agent of such person or entity) may disclose to any and all persons, without limitation, the tax treatment and tax structure of the transaction, as defined in Regulations Section 1.6011-4, and all related materials of any kind, including opinions or other tax analyses, that are provided to such person or entity. However, such person or entity may not disclose any other information relating to this transaction unless such information is related to such tax treatment and tax structure.

TABLE 1
\$52,302,000 (Approximate Offered Notes)

Class	Expected Initial Class Principal Balance or Class Notional Amount ⁽¹⁾	Initial Class Coupon	CUSIP Number ⁽²⁾	Class Coupon Formula (%) ⁽³⁾	Class Coupon Minimum Rate (%)	Expected WAL to Maturity (Years) ⁽⁴⁾	Expected Principal Window to Maturity (Months) ⁽⁴⁾	Scheduled Maturity Date	Expected WAL to Early Redemption (Years) ⁽⁵⁾	Expected Principal Window to Early Redemption (Months) ⁽⁵⁾	Expected Initial Credit Enhancement (%)	Minimum Denomination or Percentage Interest	Class Type
A-H	\$5,133,951,362 ⁽⁶⁾												
			Reference Tranche Only								6.750%	N/A	Senior
M-1H	\$82,583,668 ⁽⁶⁾		Reference Tranche Only	SOFR + [●] 1% ⁽⁷⁾	0%						5.250%	N/A	Mezzanine
M-2H	\$178,931,281 ⁽⁶⁾		Reference Tranche Only	SOFR + [●] 1% ⁽⁷⁾	0%						2.000%	N/A	Mezzanine
B-1 ⁽⁸⁾	\$52,302,000 ⁽⁸⁾		35563L AA6	SOFR + [●] 1%	0%	12.82	118-174	November 2042	8.01	96-96	1.000%	\$10,000	Junior
B-1H	\$2,753,779 ⁽⁶⁾										1.000%	N/A	Junior
			Reference Tranche Only								1.000%	N/A	Junior
B-2H	\$55,055,778 ⁽⁶⁾		Reference Tranche Only	SOFR + [●] 1% ⁽⁷⁾	0%						0.000%	N/A	Junior
			Reference Tranche Only								0.000%	N/A	Junior

Information is preliminary and subject to final Reference Pool and legal review. The analyses, calculations and valuations herein are based on certain assumptions and data provided by third parties that may vary from the actual characteristics of the final Reference Pool. Investors should rely on the information contained in the Preliminary PPM.

- (1) The original Class Principal Balance of the Class B-1 Notes presented in this Term Sheet is approximate and may change. Notwithstanding any statements or words otherwise suggesting the existence of multiple Classes of Notes, any reference to “Classes of Notes”, “each Class of Notes”, “each Class of outstanding Notes”, “any Class of outstanding Notes”, “Class Principal Balances” and other words of similar import in this Term Sheet, refers to the Class B-1 Notes or the Class Principal Balance of the Class B-1 Notes, as applicable, as the context requires.
- (2) Rule 144A CUSIP numbers are shown. See Appendix F of the Preliminary PPM for a list of the Regulation S CUSIP numbers.
- (3) The Indenture Trustee determines the SOFR Rate using the method described in the definition of “SOFR Rate” in this Term Sheet. If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Administrator will determine an alternative Benchmark in accordance with the Benchmark Replacement provisions described under “Description of the Notes — Benchmark Replacement Provisions” in the Preliminary PPM.
- (4) Expected weighted average lives and principal windows, as applicable, with respect to the Notes above are based on the Modeling Assumptions, including that (i) prepayments occur at the pricing speed of 0% CPR, calculated from the Closing Date, (ii) no Credit Events occur, no Modification Events occur and (iii) the Notes pay on the 25th day of each calendar month beginning in December 2022.
- (5) Expected weighted average lives and principal windows, as applicable, with respect to the Notes above are based on certain Modeling Assumptions, including that (i) prepayments occur at the pricing speed of 0% CPR, calculated from the Closing Date, (ii) no Credit Events occur, no Modification Events occur, (iii) the Notes pay on the 25th day of each calendar month beginning in December 2022 and (iv) Freddie Mac exercises its right to redeem all of the Notes in full and the Notes are redeemed in full on the Payment Date in November 2030.
- (6) The Class A-H Reference Tranche, Class M-1H Reference Tranche, Class M-2H Reference Tranche, Class B-1H Reference Tranche and Class B-2H Reference Tranche will not have corresponding Notes and will be referenced only in connection with making calculations of principal payments required to be made on the Notes and reductions and increases in the Class Principal Balances of the Notes.
- (7) Each of the Class M-1H Reference Tranche, Class M-2H Reference Tranche and Class B-2H Reference Tranche is assigned a Class Coupon solely for purposes of calculating allocations of any Modification Gain Amounts or Modification Loss Amounts, as more fully described in “Modification Gain Priority”, “Modification Loss Priority” and “Interest Accrual Amounts”.
- (8) The Class B-1 Notes will have the corresponding Class B-1H Reference Tranche for the purpose of making calculations of principal payments required to be made by the Trust and reductions and increases in the Class Principal Balances of the Notes.

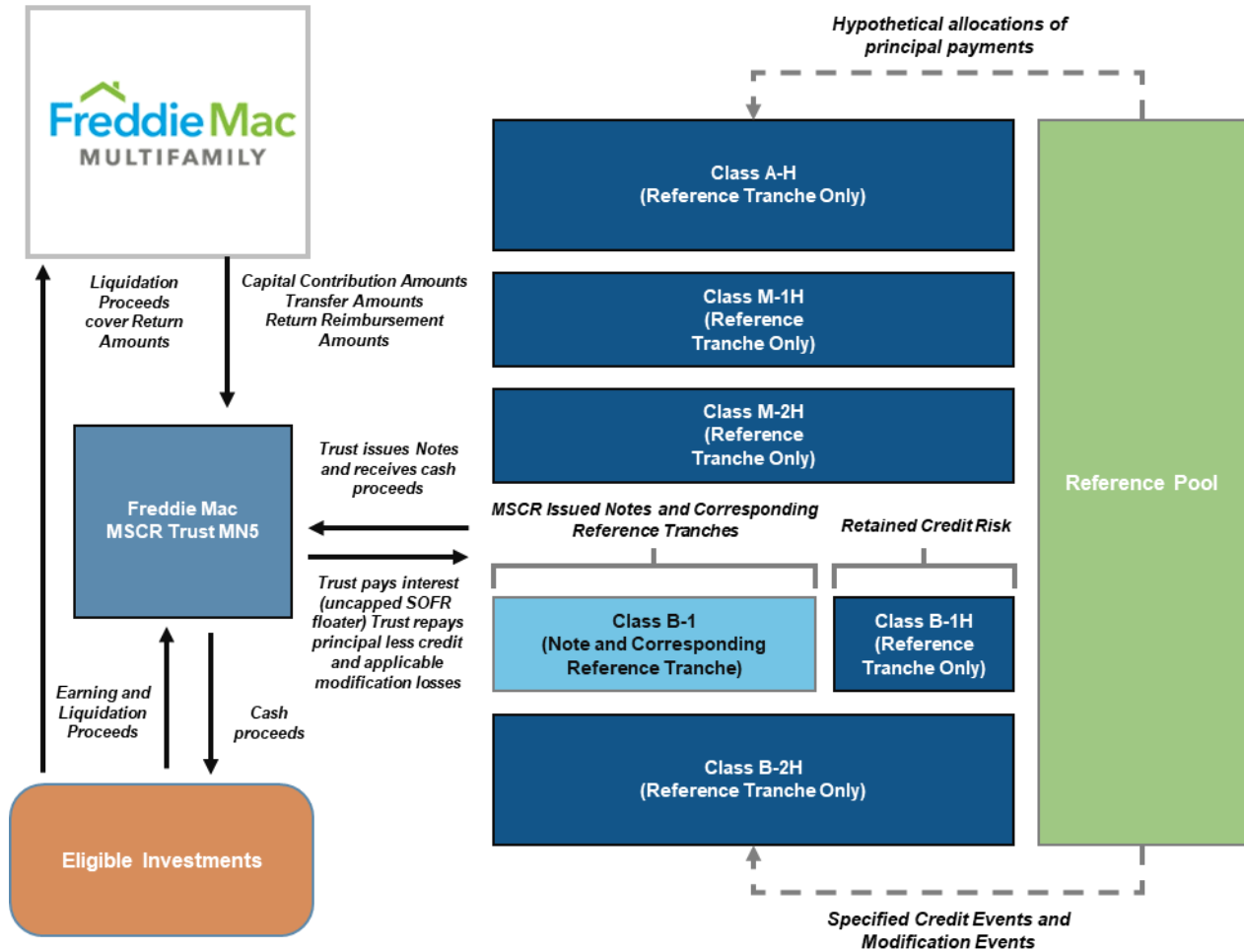
TABLE 2



CLASSES OF REFERENCE TRANCHES

Classes of Reference Tranches	Initial Class Notional Amount	Initial Subordination
Class A-H	\$5,133,951,362	6.750%
Class M-1H.....	\$82,583,668	5.250%
Class M-2H.....	\$178,931,281	2.000%
Class B-1 and Class B-1H	\$55,055,779	1.000%
Class B-2H.....	\$55,055,778	0.000%

TRANSACTION DIAGRAM



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SUMMARY

This summary highlights selected information and does not contain all of the information that you need to make your investment decision. It provides general, simplified descriptions of matters that, in some cases, are highly technical and complex. More detail is provided in the Preliminary PPM and the Final PPM and the other documents referred to herein. Do not rely upon this summary for a full understanding of the matters you need to consider for any potential investment in the Notes. To understand the terms of the offering of the Notes, carefully read the entire Preliminary PPM and Final PPM and the other documents referred to therein. You will find definitions of the capitalized terms used in this term sheet in the “Glossary of Significant Terms.” Capitalized terms not defined herein are defined in the Preliminary PPM and Final PPM.

Transaction Overview

The transaction provides credit protection to Freddie Mac with respect to the Reference Obligations, which represent a specified portion of each of certain multifamily mortgage loans that were originated between March 8, 2019 and September 13, 2022, and meet certain Eligibility Criteria, including certain loan-to-value thresholds, as described more fully herein.

Each Reference Obligation consists of multifamily mortgage loans secured by multifamily properties (each, a “Reference Obligation”) backing Freddie Mac multifamily participation certificates (“Multi PCs”).

Certain Reference Obligations are subordinate in priority to the related Reference Obligations that are part of the Reference Pool and are senior mortgage loans.

Certain Reference Obligations are cross-collateralized and cross-defaulted with other Reference Obligations in the Reference Pool.

Certain Reference Obligations back the PCs that are currently designated as “Social Bonds” within Freddie Mac’s Social Bonds Framework, published on Freddie Mac’s website at <https://mf.freddiemac.com/investors/impact-bonds.html#social-bonds>.

Certain Reference Obligations were made to the related underlying borrowers by various state and local governmental entities using the proceeds of the related tax-exempt loans made by the applicable originators to such governmental entities, and a fiscal agent appointed by such governmental entities (as identified in Appendix A to the Preliminary PPM and Final PPM) may administer or service such Reference Obligations in certain circumstances. Any reference to the servicer of a Reference Obligation in this Term Sheet refers to such fiscal agent, if applicable.

Freddie Mac guarantees the timely payment of the scheduled principal of and interest on each Multi PC backed by a Reference Obligation pursuant to the related guaranty. Freddie Mac is entitled to receive certain fees and to be reimbursed for the guarantee payments paid by Freddie Mac from payments received from the underlying borrowers. In addition, Freddie Mac has the right to replace the servicer of each Reference Obligation under the Guide and consent to certain servicing matters.

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The Freddie Mac MSCR Trust MN5 will issue the Class B-1 Notes. Notwithstanding any statements or words otherwise suggesting the existence of multiple Classes of Notes, any reference to “Classes of Notes”, “each Class of Notes”, “each Class of outstanding Notes”, “any Class of outstanding Notes”, “Class Principal Balances” and other words of similar import in this Term Sheet, refers to the Class B-1 Notes or the Class Principal Balance of the Class B-1 Notes, as applicable, as the context requires.

The Class B-1 Notes will be issued at par and will be uncapped SOFR based floaters.

The Class B-1 Notes will pay interest at the rates and times, and the principal amount thereof will be payable on the dates, described under “— *Payments on the Notes*” below. The Notes will be scheduled to mature on the Payment Date in November 2042, but will be subject to redemption prior thereto if certain events occur that result in the designation of an Early Termination Date.

The Trust will use the aggregate net proceeds realized from the sale of the Notes to purchase Eligible Investments. From time to time, the Trust will acquire additional Eligible Investments with proceeds realized upon the maturity or redemption or other prepayment of existing Eligible Investments. On each Payment Date, the Trust will pay interest on the Notes from (i) investment earnings on the Eligible Investments, (ii) the Transfer Amount due from Freddie Mac with respect to such Payment Date under the Collateral Administration Agreement and (iii) the Index Component Contribution due from Freddie Mac with respect to such Payment Date under the Capital Contribution Agreement.

On the Closing Date, Freddie Mac will enter into the Collateral Administration Agreement and the Capital Contribution Agreement with the Trust and the Indenture Trustee.

Under the Collateral Administration Agreement, subject to the satisfaction of certain conditions, in connection with a Payment Date in any given calendar month Freddie Mac will be required to pay the Transfer Amount and Return Reimbursement Amount, if any, to the Trust and the Trust will be required to pay the Return Amount, if any, to Freddie Mac. Under the Capital Contribution Agreement, Freddie Mac will be required to pay the Capital Contribution Amount to the Trust. The Collateral Administration Agreement and Capital Contribution Agreement will permit netting of the Return Amount due on any Payment Date against the Transfer Amount, Return Reimbursement Amount and Capital Contribution Amount due on the Business Day immediately prior to such Payment Date. As a result, only one party (i.e., either the Trust or Freddie Mac) will actually make a payment to the other in connection with any Payment Date.

Each of the Collateral Administration Agreement and the Capital Contribution Agreement will terminate in its entirety on, and no further payments will be made by Freddie Mac to the Trust or by the Trust to Freddie Mac, as applicable, after, the Termination Date (whether on or



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prior to the Scheduled Maturity Date, including as the result of the designation of the Early Termination Date).

Sponsor	Freddie Mac.
Indenture Trustee	U.S. Bank Trust Company, National Association.
Owner Trustee	Wilmington Trust, National Association.
Investment Manager	BlackRock Financial Management, Inc.
Administrator	Freddie Mac.
Custodian	U.S. Bank Trust Company, National Association.
Account Bank	U.S. Bank National Association.
Co-Lead Managers and Joint Bookrunners	BofA Securities and Wells Fargo Securities.
Co-Managers	Goldman Sachs & Co. LLC, Multi-Bank Securities, Inc. and Performance Trust Capital Partners, LLC.

The Trust

The Freddie Mac MSCR Trust MN5 is a statutory trust under the laws of the State of Delaware. The purpose of the Trust is limited to engaging in the following activities: (a) to enter into and perform its obligations under the Collateral Administration Agreement; (b) to enter into and perform its obligations under the Capital Contribution Agreement; (c) to enter into and perform its obligations under the Indenture; (d) to enter into and perform its obligations under the Investment Management Agreement; (e) to enter into and perform its obligations under the Administration Agreement; (f) to enter into and perform its obligations under the Account Control Agreement; (g) to enter into and perform its obligations under the Note Purchase Agreement; (h) to issue the Notes pursuant to the Indenture and the Owner Certificate pursuant to the Trust Agreement; (i) to enter into and perform its obligations under the other Basic Documents; (j) to invest the proceeds of the sale of the Notes in Eligible Investments and to reinvest the proceeds realized upon the maturity or redemption or other prepayment of Eligible Investments in additional Eligible Investments, from time to time, as contemplated in the Trust Agreement; and (k) to engage in such other activities, including entering into and performing its obligations under any other agreements that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith.

Trust Assets

The Trust Assets will be comprised of all right, title and interest of the Trust in, to and under, whether now owned or existing, or hereafter acquired or arising, (a) the Basic Documents, (b) the Distribution Account and any amounts from time to time on deposit therein, (c) the Custodian Account and any amounts from time to time on deposit therein, (d) all Eligible Investments and all income realized from the investment thereof, (e) all accounts, general intangibles, chattel paper, instruments,



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documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights, consisting of, arising from, or relating to, any of the foregoing, and (f) all proceeds, accessions, profits, income, benefits, substitutions and replacements, whether voluntary or involuntary, of and to any of the property of the Trust.

All of the Trust Assets, other than the Trust's rights under the Collateral Administration Agreement and the Capital Contribution Agreement, will be pledged to secure the Trust's payment obligations under the Collateral Administration Agreement. In addition, all of the Trust Assets will be pledged to secure the Trust's payment obligations to the Noteholders under the Indenture.

The Notes

On the Closing Date, the Trust will issue the Class B-1 Notes pursuant to the Indenture. Notwithstanding any statements or words otherwise suggesting the existence of multiple Classes of Notes, any reference to "Classes of Notes", "each Class of Notes", "each Class of outstanding Notes", "any Class of outstanding Notes", "Class Principal Balances" and other words of similar import in this Term Sheet, refers to the Class B-1 Notes or the Class Principal Balance of the Class B-1 Notes, as applicable, as the context requires.

Closing Date

On or about November 22, 2022.

Scheduled Maturity Date

The Payment Date in November 2042.

Use of Proceeds

The Indenture Trustee will use the cash proceeds from the sale of the Notes to purchase Eligible Investments. See "*Eligible Investments*". The Indenture Trustee will use the earnings on and proceeds of the Eligible Investments to first make any payments of Return Amounts to Freddie Mac and, together with any Transfer Amounts, Return Reimbursement Amounts and Capital Contribution Amounts paid by Freddie Mac to the Trust, to make payments of principal and interest on the Notes.

Ratings of the Notes

The Notes will not be rated on the Closing Date and Freddie Mac has no obligation to obtain ratings for the Notes in the future. The absence of ratings may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, the Notes.

The Offering

The Notes are being offered and sold only (i) in the United States to "qualified institutional buyers," as such term is defined in Rule 144A under the Securities Act, and (ii) in "offshore transactions" to persons that are not "U.S. persons," as such terms are defined in, and in accordance with, Regulation S under the Securities Act. See "*Notice to Investors*" in the Preliminary PPM and the Final PPM.

Transfer of the Notes

Transfers of interests in the Notes will be subject to certain restrictions as described in the Final PPM.

Risk Retention

Because the Trust will not issue any notes that correspond to the Class A-H, Class M-1H, Class M-2H and Class B-2H Reference Tranches,

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Freddie Mac will initially retain the credit risk represented by such Classes of Reference Tranches. If Freddie Mac were to exercise its option to cause the Trust to retire any Notes that it owns, the Class Notional Amount of the Class B-1H Reference Tranche will be increased by the related Notes Retirement Amount allocated to reduce the Class Notional Amount of the Class B-1 Reference Tranche in connection with the retirement of such Notes. Freddie Mac will, therefore, reacquire the credit risk with respect to the Reference Pool represented by such retired Notes.

On the Closing Date:

- the Class B-1H Reference Tranche will represent no less than 5% of the combined initial Class Notional Amount of the Class B-1 and Class B-1H Reference Tranches.

Freddie Mac will, pursuant to a letter (the “Risk Retention Letter”), irrevocably restrict its ability to transfer or hedge more than a 95% *pro rata* share of the credit risk on (i) the Class B-1 and Class B-1H Reference Tranches (in the aggregate), or (ii) (x) each of the Class A-H Reference Tranche, Class M-1H Reference Tranche, Class M-2H Reference Tranche and the Class B-2H Reference Tranche, and (y) in the case of any further tranching of the Class A-H Reference Tranche, Class M-1H Reference Tranche, Class M-2H Reference Tranche or the Class B-2H Reference Tranche, each tranche into which the Class A-H Reference Tranche, Class M-1H Reference Tranche, Class M-2H Reference Tranche or Class B-2H Reference Tranche, as applicable, is so further tranching.

Freddie Mac may effect any transfers or hedges that are not so restricted, in the future, by issuing new series of MSCR notes and/or entering into MCIP transactions, that reference the Reference Pool related to the Notes of this transaction.

You are required to independently assess and determine the sufficiency of the information described in this Term Sheet and in the Preliminary PPM and Final PPM for the purposes of complying with any relevant requirements and none of Freddie Mac, the Indenture Trustee, the Owner Trustee, the Investment Manager, the Initial Purchasers or any other party makes any representations that the information described in this Term Sheet is sufficient under any circumstances for such purposes.

None of Freddie Mac, the Trust, the Initial Purchasers or any other party to the transaction intends to retain a material net economic interest in the securitization transaction constituted by the issue of the Notes, or take any other action, in a manner prescribed by European Union Regulation 2017/2402 (the “EU Securitization Regulation”). In particular, no such party will take any action that may be required by any prospective investor or noteholder for the purposes of its compliance with any requirement of the EU Securitization Regulation. Consequently, the Notes are not a suitable investment for any person that is now or may in the future be subject to any requirement of the EU Securitization Regulation.

In addition, you should be aware, and in some cases are required to be aware, of the investor diligence requirements that apply in the EU under

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the EU Securitization Regulation and in the UK under the UK Securitization Regulation, in addition to any other regulatory requirements that are (or may become) applicable to you and/or with respect to your investment in the Notes.

Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator before committing to acquire any Notes to determine whether, and to what extent, the information set out here, in the Preliminary PPM and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying such requirements. See *“Risk Factors — Governance and Regulation — Legislative or Regulatory Actions Could Adversely Affect Our Business Activities and the Reference Pool”* in the Preliminary PPM.

Payments on the Notes

The Trust will be required to pay the Interest Payment Amount on the Class B-1 Notes in arrears on the 25th day of each calendar month, commencing in December 2022 and ending on the Maturity Date, including in the case of an Early Redemption Date, or if any such day is not a Business Day, on the first Business Day thereafter. On each Payment Date, the Interest Payment Amount for the Class B-1 Notes may be reduced as a result of Modification Events that reduce the yield on the Reference Obligations. See *“Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches”*.

On each Payment Date prior to the Maturity Date on which certain tests related to minimum credit enhancement for the Class A-H Reference Tranche and delinquencies for the Reference Pool are satisfied, the Trust will be required to pay principal on each Class of Notes in an amount equal to the portion of the Senior Reduction Amount, Subordinate Reduction Amount and/or Supplemental Subordinate Reduction Amount, as applicable, allocated to reduce the Class Notional Amount of the Corresponding Class of Reference Tranche on such Payment Date. If any of such tests is not satisfied, the Subordinate Reduction Amount will be zero and principal payments may not be made on the Notes. With respect to any Class of Notes, the amount of principal that is due on any Payment Date will reflect any Tranche Write-up Amounts and Tranche Write-down Amounts with respect to the related Reporting Period, as applicable. See *“Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Senior Reduction Amount and Subordinate Reduction Amount”*.

In addition, in connection with any Credit Event or Modification Event that results in any Tranche Write-down Amounts being allocated to any Class of Reference Tranche on a Payment Date, the Class Principal Balance of any Corresponding Class of Notes will be reduced by such amount allocated thereto. In addition, if any Tranche Write-down Amounts are allocated to a Class or Classes of Reference Tranches corresponding to a Class or Classes of Notes on any Payment Date, the Trust will owe Freddie Mac a Return Amount on such Payment Date equal to the aggregate amount of Tranche Write-down Amounts so allocated to reduce the Class Principal Balances of the Notes. See *“Description of the Notes — Hypothetical Structure and Calculations*

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with respect to the Reference Tranches". Any such reduction in the Class Principal Balance of any outstanding Class of Notes will result in a lower amount of interest payable on such Class of Notes on subsequent Payment Dates. See "*Tranche Write-Down Amounts and Prepayment and Yield Considerations — Credit Events and Modification Events*" in the Preliminary PPM and the Final PPM.

On the Maturity Date, the Trust will be required to pay the Class Principal Balance for each Class of Notes outstanding.

The Notes will be subject to mandatory redemption prior to the Scheduled Maturity Date upon the termination of the Collateral Administration Agreement. The Notes will also be subject to acceleration at any time upon the occurrence of an Indenture Event of Default.

On each Payment Date on which the Trust is required to pay a Return Amount, the Trust will allocate proceeds of the Eligible Investments to such payment before allocating any proceeds of the Eligible Investments to pay amounts owed on the Notes, including any Notes Retirement Amount payable by the Trust. This will coincide with Tranche Write-down Amounts being allocated to one or more Reference Tranches that correspond to one or more Classes of Notes in an aggregate amount equal to such Return Amount and the corresponding reduction of the Class Principal Balance of each such Class of Notes. See "*Status and Subordination*".

**Tranche Write-Down Amounts and
Prepayment and Yield Considerations**

The Class Principal Balance of the Class B-1 Notes will be reduced to the extent of any Tranche Write-down Amounts that are allocated to reduce the Class Notional Amount of the Corresponding Class of Reference Tranche. Any such reduction in principal will result in a corresponding reduction in the related Interest Payment Amount on subsequent Payment Dates.

The yield to maturity on the Class B-1 Notes will also be sensitive to any prepayments of the Reference Obligations, Reference Pool Removals and changes in the SOFR Rate. See "Description of the Notes — Interest".

Status and Subordination

The Notes and the obligation of the Trust to pay Return Amounts to Freddie Mac will be limited recourse obligations of the Trust. With respect to any Payment Date, a portion of the Eligible Investments will be liquidated in the amount necessary to pay the net Return Amount owed by the Trust to Freddie Mac, if any, the amount of principal owed by the Trust on the Notes, if any, and the Notes Retirement Amount owed by the Trust to Freddie Mac, if any. The proceeds of such liquidated Eligible Investments will be allocated to payment of the Return Amount, if any, owed to Freddie Mac with respect to such Payment Date before being allocated to payments of principal on the Notes and to payment of any Notes Retirement Amount.

Pursuant to the Indenture, the Notes will be subject to (i) principal amount write-downs as a result of Credit Events or Modification Events with respect to the Reference Obligations and (ii) interest amount reductions as a result of Modification Events with respect to the

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Reference Obligations. See “*Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Modification Loss Amount*” and “*— Allocation of Modification Gain Amount*”; “*Description of the Notes — Interest*”; “*Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Senior Reduction Amount and Subordinate Reduction Amount*”; “*Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Tranche Write-down Amounts*”; and “*Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Tranche Write-up Amounts*”.

Description of the Notes

Interest

Class Coupon. The Class B-1 Notes will bear interest, and solely for purposes of calculating allocations of any Modification Gain Amounts or Modification Loss Amounts, each of the Class M-1H Reference Tranche, Class M-2H Reference Tranche and Class B-2H Reference Tranche will be deemed to bear interest, calculated pursuant to the applicable Class Coupon formula shown in [Table 1](#). The Class Coupon for the Class B-1 Notes is subject to any applicable Class Coupon Minimum Rate shown in [Table 1](#). The Class Coupon of the Class B-1 Notes for each Accrual Period is based on the SOFR Rate. The Class Coupons of Notes are based on Compounded SOFR or Term SOFR, as applicable, published on the SOFR Adjustment Date. The initial Class Coupons that will apply to the first Accrual Period are also shown in [Table 1](#).

The Indenture Trustee will calculate the Class Coupon for the Class B-1 Notes, Class M-1H Reference Tranche, Class M-2H Reference Tranche and Class B-2H Reference Tranche for each Accrual Period (after the first Accrual Period) on the applicable SOFR Adjustment Date. For the first Accrual Period, the SOFR Rate will be determined by Freddie Mac on the pricing date of the Notes. The Indenture Trustee will determine the SOFR Rate using the method described in the definition of “SOFR Rate”. If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Administrator will determine an alternative index in accordance with the Benchmark Replacement provisions described under “*Description of the Notes — Benchmark Replacement Provisions*” and “*Description of the Notes — Interest*”.

Interest Payment. On each Payment Date through and including the Maturity Date, the Trust will use funds on deposit in the Distribution Account *first*, to pay the Return Amount, if any, due and payable to Freddie Mac, and *second*, to pay the applicable Interest Payment Amount on the Class B-1 Notes. Interest will be calculated and payable on the basis of the actual number of days in the related Accrual Period and a 360-day year. Interest will be payable in arrears.

Benchmark Replacement Provisions. If Freddie Mac determines prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the

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then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, Freddie Mac will have the right to make Benchmark Replacement Conforming Changes from time to time.

Decisions and Determinations. Any determination, decision or election that may be made by Freddie Mac pursuant to this Section titled “*Benchmark Replacement Provisions*,” including any determination with respect to administrative feasibility (whether due to technical, administrative or operational issues), a tenor, a rate, an adjustment or the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in Freddie Mac’s sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Notes, will become effective without consent from any other party.

Neither the Indenture Trustee nor the paying agent will be under any obligation (i) to monitor, determine or verify the unavailability or cessation of SOFR (or other applicable benchmark), or whether or when there has occurred, or to give notice to any other Transaction Party of the occurrence of, any Benchmark Transition Event or Benchmark Replacement Date, except to the extent the Administrator has provided notice to the Indenture Trustee and paying agent for inclusion in the Payment Date Statement in accordance with the terms of the Indenture, (ii) to select, determine or designate any alternative method, Benchmark Replacement or alternative index, or other successor or replacement alternative index, or whether any conditions to the designation of such a rate have been satisfied, or (iii) to select, determine or designate any Benchmark Replacement Adjustment (as defined in the Preliminary PPM), or other modifier to any replacement or successor index, or (iv) to determine whether or what conforming changes with respect to such alternative method, Benchmark Replacement or alternative index are necessary or advisable, if any, in connection with any of the foregoing.

Neither the Indenture Trustee nor the paying agent will be liable for any inability, failure or delay on its part to perform any of its duties set forth in the Indenture as a result of the unavailability of SOFR (or other applicable Benchmark (as defined in the Preliminary PPM)) and absence of a designated Benchmark Replacement, including as a result of any inability, delay, error or inaccuracy on the part of any other transaction party, including without limitation the Administrator, in providing any direction, instruction, notice or information required or contemplated by the terms of the Indenture and reasonably required for the performance of such duties.

Principal

On the Maturity Date the Trust will pay 100% of the Class Principal Balance as of such date for each Class of Notes outstanding. On all other Payment Dates, the Trust will pay principal on each Class of Notes in an

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amount equal to the portion of the Senior Reduction Amount, Subordinate Reduction Amount and/or Supplemental Subordinate Reduction Amount, as applicable, allocated to the Corresponding Class of Reference Tranche on such Payment Date pursuant to the terms of the hypothetical structure described under “— *Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Senior Reduction Amount and Subordinate Reduction Amount*” and “— *Allocation of Supplemental Subordinate Reduction Amount and Supplemental Senior Increase Amount*” below.

Reductions in Class Principal Balances of the Notes Due to Allocation of Tranche Write-down Amounts

On each Payment Date on or prior to the Maturity Date, the Class Principal Balance of each Class of Notes will be reduced without any corresponding payment of principal, by the amount of the reduction, if any, in the Class Notional Amount of the Corresponding Class of Reference Tranche due to the allocation of the Tranche Write-down Amount to such Class of Reference Tranche on such Payment Date pursuant to the terms of the hypothetical structure described under “— *Hypothetical Structure and Calculations with respect to the Reference Tranches*” below.

Increases in Class Principal Balances of the Notes Due to Allocation of Tranche Write-up Amounts

On each Payment Date on or prior to the Maturity Date, the Class Principal Balance of each Class of Notes will be increased by the amount of the increase, if any, in the Class Notional Amount of the Corresponding Class of Reference Tranche due to the allocation of the Tranche Write-up Amount to such Class of Reference Tranche on such Payment Date pursuant to the terms of the hypothetical structure described under “— *Hypothetical Structure and Calculations with respect to the Reference Tranches*” below.

Hypothetical Structure and Calculations with respect to the Reference Tranches

A hypothetical structure of Classes of Reference Tranches deemed to be backed by the Reference Pool has been established as indicated in the Transaction Diagram. The Indenture will reference this hypothetical structure to calculate, for each Payment Date, (i) Tranche Write-down Amounts (or Tranche Write-up Amounts), which may result in reductions (or increases) in principal amounts on the Notes, (ii) any reduction or increase in interest amounts on the Notes as a result of Modification Events on the Reference Obligations and (iii) principal payments to be made on the Notes by the Trust.

Allocation of Tranche Write-down Amounts

On each Payment Date on or prior to the Maturity Date, the Tranche Write-down Amount, if any, for such Payment Date, will be allocated, *first*, to reduce any Overcollateralization Amount for such Payment Date, until such Overcollateralization Amount is reduced to zero, and, *second*, to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

first, to the Class B-2H Reference Tranche;

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second, to the Class B-1 and Class B-1H Reference Tranches, *pro rata* based on their Class Notional Amounts immediately prior to such Payment Date;

third, to the Class M-2H Reference Tranche;

fourth, to the Class M-1H Reference Tranche; and

fifth, to the Class A-H Reference Tranche, but only in an amount equal to the excess, if any, of the remaining unallocated Tranche Write-down Amount for such Payment Date over the Principal Loss Amount for such Payment Date attributable to clause (d) of the definition of “Principal Loss Amount” in the “*Glossary of Significant Terms*”.

Because the Class B-1 Notes correspond to the Class B-1 Reference Tranche, any Tranche Write-down Amounts allocated to the Class B-1 Reference Tranche pursuant to the hypothetical structure will result in a corresponding reduction in the Class Principal Balance of the Class B-1 Notes.

With respect to each Payment Date, the Class Notional Amount for the Class A-H Reference Tranche will be increased by the excess, if any, of the Tranche Write-down Amount for such Payment Date over the Credit Event Amount for such Payment Date.

Allocation of Tranche Write-up Amounts

On each Payment Date on or prior to the Maturity Date, the Tranche Write-up Amount, if any, for such Payment Date will be allocated to increase the Class Notional Amount of each Class of Reference Tranche in the following order of priority until the cumulative Tranche Write-up Amounts allocated to each such Class of Reference Tranche is equal to the cumulative Tranche Write-down Amounts previously allocated to such Class of Reference Tranche on or prior to such Payment Date:

first, to the Class A-H Reference Tranche;

second, to the Class M-1H Reference Tranche;

third, to the Class M-2H Reference Tranche;

fourth, to the Class B-1 and Class B-1H Reference Tranches, *pro rata* based on their Class Notional Amounts immediately prior to such Payment Date; and

fifth, to the Class B-2H Reference Tranche.

Because the Class B-1 Notes correspond to the Class B-1 Reference Tranche, any Tranche Write-up Amounts allocated to the Class B-1 Reference Tranche pursuant to the hypothetical structure will result in a corresponding increase in the Class Principal Balance of the Class B-1 Notes.

The Write-up Excess will be available as overcollateralization to offset any Tranche Write-down Amounts on future Payment Dates prior to such Tranche Write-down Amounts being allocated to reduce the Class Notional Amounts of the Reference Tranches.

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Allocation of Modification Loss Amount

On each Payment Date on or prior to the Maturity Date, the Preliminary Principal Loss Amount, the Preliminary Tranche Write-down Amount, the Preliminary Tranche Write-up Amount and the Preliminary Class Notional Amount will be computed prior to the allocation of the Modification Loss Amount. The Modification Loss Amount, if any, for such Payment Date will be allocated to the Reference Tranches in the following order of priority:

first, to the Class B-2H Reference Tranche, until the amount allocated to the Class B-2H Reference Tranche is equal to the Class B-2H Reference Tranche Interest Accrual Amount for such Payment Date;

second, to the Class B-2H Reference Tranche, until the amount allocated to the Class B-2H Reference Tranche is equal to the Preliminary Class Notional Amount of the Class B-2H Reference Tranche for such Payment Date;

third, to the Class B-1 and Class B-1H Reference Tranches, *pro rata* based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class B-1 Reference Tranche is equal to the Class B-1 Notes Interest Accrual Amount for such Payment Date;

fourth, to the Class B-1 and Class B-1H Reference Tranches, *pro rata* based on their Preliminary Class Notional Amounts for such Payment Date, until the aggregate amount allocated to the Class B-1 and Class B-1H Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class B-1 and Class B-1H Reference Tranches for such Payment Date;

fifth, to the Class M-2H Reference Tranche, until the amount allocated to the Class M-2H Reference Tranche is equal to the Class M-2H Reference Tranche Interest Accrual Amount for such Payment Date;

sixth, to the Class M-2H Reference Tranche, until the amount allocated to the Class M-2H Reference Tranche is equal to the Preliminary Class Notional Amount of the Class M-2H Reference Tranche for such Payment Date;

seventh, to the Class M-1H Reference Tranche, until the amount allocated to the Class M-1H Reference Tranche is equal to the Class M-1H Reference Tranche Interest Accrual Amount for such Payment Date; and

eighth, to the Class M-1H Reference Tranche, until the amount allocated to the Class M-1H Reference Tranche is equal to the Preliminary Class Notional Amount of the Class M-1H Reference Tranche for such Payment Date.

For the avoidance of doubt and without duplication of the allocation of Tranche Write-down Amounts, if any, for such Payment Date, with respect to each Payment Date the Class Notional Amount for the Class A-H Reference Tranche will be increased by the sum of

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amounts included in the *second, fourth, sixth and eighth* priorities above. Any amount allocated to the Class B-1 Reference Tranche in the third priority above on any Payment Date will result in a corresponding reduction of the Interest Payment Amount of the Class B-1 Notes for such Payment Date. Each of the Class M-1H Reference Tranche, Class M-2H Reference Tranche and Class B-2H Reference Tranche is assigned a Class Coupon solely for purposes of calculations in connection with the allocation of Modification Loss Amounts to the Mezzanine Reference Tranches and Junior Reference Tranches, and any such amounts allocated in the *first, second, fifth, sixth, seventh or eighth* priority above will not result in a corresponding reduction of the Interest Payment Amount or Class Principal Balance of any Class of Notes. Any amounts allocated to any of the Reference Tranches in the *second, fourth, sixth or eighth* priority above will be included in the Principal Loss Amount for the related Payment Date.

Allocation of Modification Gain Amount

On each Payment Date on or prior to the Maturity Date, the Preliminary Principal Loss Amount, the Preliminary Tranche Write-down Amount, the Preliminary Tranche Write-up Amount and the Preliminary Class Notional Amount will be computed prior to the allocation of the Modification Gain Amount. The Modification Gain Amount, if any, for such Payment Date will be allocated to the Reference Tranches in the following order of priority:

first, to the Class M-1H Reference Tranche, until the amount allocated to the Class M-1H Reference Tranche is equal to the cumulative amount of unreimbursed Modification Loss Amounts allocated to reduce the Interest Accrual Amount on the Class M-1H Reference Tranche on all prior Payment Dates;

second, to the Class M-2H Reference Tranche, until the amount allocated to the Class M-2H Reference Tranche is equal to the cumulative amount of unreimbursed Modification Loss Amounts allocated to reduce the Interest Accrual Amount on the Class M-2H Reference Tranche on all prior Payment Dates;

third, to the Class B-1 and Class B-1H Reference Tranches, *pro rata* based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class B-1 Reference Tranche is equal to the cumulative amount of unreimbursed Modification Loss Amounts allocated to reduce the Interest Payment Amount on the Class B-1 Notes on all prior Payment Dates;

fourth, to the Class B-2H Reference Tranche until the amount allocated to the Class B-2H Reference Tranche is equal to the cumulative amount of unreimbursed Modification Loss Amounts allocated to reduce the Interest Accrual Amount on the Class B-2H Reference Tranche on all prior Payment Dates; and

fifth, to the most subordinate Classes of Reference Tranches outstanding, *pro rata* based on their Class Notional Amounts immediately prior to such Payment Date.

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Any amount allocated to the Class B-1 Reference Tranche above on any Payment Date will result in a corresponding increase of the Interest Payment Amount of the Class B-1 Notes for such Payment Date.

Allocation of Senior Reduction Amount and Subordinate Reduction Amount

On each Payment Date prior to the Maturity Date, after allocation of the Tranche Write-down Amount or Tranche Write-up Amount, if any, for such Payment Date as described under “— Allocation of Tranche Write-down Amounts” and “— Allocation of Tranche Write-up Amounts” above, the Senior Reduction Amount will be allocated to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

- first*, to the Class A-H Reference Tranche;
- second*, to the Class M-1H Reference Tranche;
- third*, to the Class M-2H Reference Tranche;
- fourth*, to the Class B-1 and Class B-1H Reference Tranches, *pro rata* based on their Class Notional Amounts immediately prior to such Payment Date; and
- fifth*, to the Class B-2H Reference Tranche.

On each Payment Date prior to the Maturity Date, after allocation of the Tranche Write-down Amount or Tranche Write-up Amount, if any, for such Payment Date as described under “— Allocation of Tranche Write-down Amounts” and “— Allocation of Tranche Write-up Amounts” above, and after allocation of the Senior Reduction Amount, the Subordinate Reduction Amount will be allocated to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

- first*, to the Class M-1H Reference Tranche;
- second*, to the Class M-2H Reference Tranche;
- third*, to the Class B-1 and Class B-1H Reference Tranches, *pro rata* based on their Class Notional Amounts immediately prior to such Payment Date;
- fourth*, to the Class B-2H Reference Tranche; and
- fifth*, to the Class A-H Reference Tranche.

Because the Class B-1 Notes correspond to the Class B-1 Reference Tranche, any Senior Reduction Amount and/or Subordinate Reduction Amount, as applicable, allocated to the Class B-1 Reference Tranche pursuant to the hypothetical structure will result in a requirement of the Trust to make a corresponding payment of principal to the Class B-1 Notes.

Allocation of Supplemental Subordinate Reduction Amount

On each Payment Date prior to the Maturity Date, after allocation of the Tranche Write-down Amount or Tranche Write-up Amount, if any, for such Payment Date as described under “— Allocation of Tranche

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***and Supplemental Senior
Increase Amount***

Write-down Amounts” and “—*Allocation of Tranche Write-up Amounts*” above, and after allocation of the Senior Reduction Amount or Subordinate Reduction Amount, if any, for such Payment Date as described under “—*Allocation of Senior Reduction Amount and Subordinate Reduction Amount*” above, the Supplemental Subordinate Reduction Amount, if any, for such Payment Date will be allocated to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

first, to the Class M-1H Reference Tranche;

second, to the Class M-2H Reference Tranche;

third, to the Class B-1 and Class B-1H Reference Tranches, *pro rata* based on their Class Notional Amounts immediately prior to such Payment Date;

fourth, to the Class B-2H Reference Tranche; and

fifth, to the Class A-H Reference Tranche.

Because the Class B-1 Notes correspond to the Class B-1 Reference Tranche, any portion of the Supplemental Subordinate Reduction Amount that is allocated to the Class B-1 Reference Tranche will result in a corresponding reduction in the Class Principal Balance of the Class B-1 Notes.

Simultaneously, on each Payment Date on or prior to the Maturity Date, after allocation of the Senior Reduction Amount, the Subordinate Reduction Amount, any Tranche Write-down Amounts and any Tranche Write-up Amounts, the Supplemental Senior Increase Amount, if any, for such Payment Date will be allocated to increase the Class Notional Amount of the Class A-H Reference Tranche.

Redemption and Acceleration

The Notes will be subject to mandatory redemption prior to the Scheduled Maturity Date upon the termination of the Collateral Administration Agreement. The Notes will also be subject to acceleration at any time upon the occurrence of an Indenture Event of Default.

Eligible Investments

The Trust will use the proceeds of the sale of the Notes to purchase Eligible Investments. From time to time, the Trust will acquire additional Eligible Investments with the proceeds realized upon the maturity or redemption or other prepayment of existing Eligible Investments. At the time of purchase, Eligible Investments will be required to satisfy the criteria set forth in the definition of “Eligible Investments” in the “*Glossary of Significant Terms*”. Eligible Investments will be required to mature within 60 days (or more in the case of investments satisfying clause (b) of the definition of “Eligible Investments” in the “*Glossary of Significant Terms*”) of the date on which they were purchased. Any proceeds received from the maturity of Eligible Investments will be used to pay principal and interest on the



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Notes and any unused proceeds amounts will be reinvested in additional Eligible Investments as described herein.

Collateral Administration Agreement and Capital Contribution Agreement On the Closing Date, Freddie Mac will enter into the Collateral Administration Agreement with the Trust and the Indenture Trustee pursuant to which the Trust will provide credit protection to Freddie Mac with respect to the Reference Pool.

Under the Collateral Administration Agreement, Freddie Mac will be required to pay to the Trust the Transfer Amount and Return Reimbursement Amount, if any, on the Business Day prior to each Payment Date.

Under the Collateral Administration Agreement, the Trust will be required, subject to the satisfaction of certain conditions, to pay the Return Amount to Freddie Mac based on the Credit Events and Modification Events that occurred during the related Reporting Period.

On the Closing Date, Freddie Mac will also enter into the Capital Contribution Agreement with the Trust and the Indenture Trustee. Under the Capital Contribution Agreement, Freddie Mac will be required to pay to the Trust the Capital Contribution Amount, if any, on the Business Day prior to each Payment Date.

The Collateral Administration Agreement and Capital Contribution Agreement will permit netting of the Return Amount owed to Freddie Mac by the Trust on any Payment Date against any Transfer Amount, Return Reimbursement Amount and Capital Contribution Amount owed to the Trust by Freddie Mac on the Business Day immediately prior to such Payment Date. As a result, only one party (i.e., either the Trust or Freddie Mac) will actually make a payment to the other in connection with any Payment Date.

After the payment of any Notes Retirement Amount on any Payment Date, the amounts of any Return Amount, Transfer Amount and Return Reimbursement Amount owed under the terms of the Collateral Administration Agreement for succeeding Payment Dates will be reduced, as applicable, as a result of the adjustment in the Class Notional Amount of any Class of Reference Tranche corresponding to such retired Notes in connection with the payment of such Notes Retirement Amount.

Reference Pool Removals

A Reference Obligation will be removed from the Reference Pool upon the occurrence of any of the following: (1) the Reference Obligation becomes a Credit Event Reference Obligation; (2) the Reference Obligation is paid in full; (3) the lender who sold the Reference Obligation to Freddie Mac repurchases the Reference Obligation from Freddie Mac; or (4) Freddie Mac determines that the information in Appendix A to the Preliminary PPM and Final PPM, with respect to any Reference Obligation, is untrue, incomplete or inaccurate in any material respect.



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Preliminary Eligibility Criteria

Any mortgages that Freddie Mac purchases must satisfy the mortgage purchase standards that are contained in the Freddie Mac Act. These standards require Freddie Mac to purchase mortgages of a quality, type and class that meet generally the purchase standards imposed by private institutional mortgage investors. This means the mortgages must be readily marketable to institutional mortgage investors. In addition to the standards in the Freddie Mac Act, which Freddie Mac cannot change, Freddie Mac has established its own multifamily mortgage purchase standards, credit, appraisal and underwriting guidelines and servicing policies and procedures. These are in the Guide. The Guide also contains certain forms related to Freddie Mac's mortgage purchases.

Servicing Practices

Freddie Mac generally supervises servicing of the mortgages according to the policies and procedures in the Guide. Each servicer is required to perform all services and duties customary to the servicing of multifamily mortgages either directly or through approved subservicers. Servicers service the mortgages, either directly or through approved subservicers, and receive fees for their services. Freddie Mac monitors a servicer's performance through periodic and special reports and inspections to ensure it complies with its obligations.

Notes Acquired by Freddie Mac

Freddie Mac may, from time to time, purchase or otherwise acquire some or all of any Class of Notes at any price or prices, in the open market or otherwise. Notes of any particular Class Freddie Mac holds or acquires will have an equal and proportionate benefit to Notes of the same Class held by other Holders, without preference, priority or distinction, except that in determining whether the Holders of the required percentage of the outstanding Class Principal Balance of the Notes have given any required demand, authorization, notice, consent or waiver under the Indenture, any Notes owned by Freddie Mac or any person directly or indirectly controlling or controlled by or under direct or indirect common control with Freddie Mac will be disregarded and deemed not to be outstanding for the purpose of such determination. Any Notes that Freddie Mac holds may be held as investment and may be sold from time to time in Freddie Mac's sole discretion. Pursuant to the Indenture, Freddie Mac has the right to cause any Notes it acquires to be retired by the Trust.

Legal Status

The Notes will be issued by the Trust. The Notes will have limited recourse to the Trust Assets, subordinate to Freddie Mac's claims under the Collateral Administration Agreement and the Indenture. The Notes will be obligations of the Trust only. **The United States does not guarantee the Notes or any interest or return on the Notes. The Notes are not debts or obligations of Freddie Mac or the United States or any agency or instrumentality of the United States.**

Certain Relationships and Affiliations

Freddie Mac will be the Sponsor and Administrator and will pay the Fees and Expenses of the Transaction Parties and the Trust.

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Freddie Mac guarantees any Multi PCs that are backed by the Reference Obligations. Freddie Mac's obligations under such guarantees are not collateralized.

These roles and Freddie Mac's relationships with the related sellers and servicers of the Reference Obligations may give rise to conflicts of interest, as further described in the Preliminary PPM and Final PPM.

Indenture Event of Default

Each of the following constitutes an "Indenture Event of Default":

- (a) a default in the payment, when due and payable, of interest due on any Note to the extent payable, as described under "*Description of the Notes — Interest, — Allocation of Modification Gain Amount*" and "*— Allocation of Modification Loss Amount*", which default continues for a period of 30 days;
- (b) a default in the payment of the Class Principal Balance of any Note on the Maturity Date, to the extent payable, as described under "*Description of the Notes — Principal, — Allocation of Tranche Write-down Amounts, — Allocation of Tranche Write-up Amounts*" and "*— Allocation of Modification Loss Amount*", or in the case of a default in payment due to an administrative error or omission by the Indenture Trustee or any paying agent, which default continues for a period of 30 days;
- (c) a default in the performance, or breach, of any other covenant of the Trust under the Indenture or any representation or warranty of the Trust made in the Indenture or in any certificate or other writing delivered pursuant thereto or in connection therewith proves to be incorrect in any material respect when made and the continuation of such default or breach for a period of 30 days after the Trust has notice thereof by (i) a responsible officer of the Indenture Trustee, (ii) Freddie Mac (except in the case of a Freddie Mac Default) or (iii) the Holders of not less than a majority of the aggregate outstanding Class Principal Balance of the Notes;
- (d) an involuntary Proceeding shall be commenced or an involuntary petition shall be filed seeking (i) winding up, liquidation, reorganization or other relief in respect of the Trust or its debts, or of a substantial part of its assets, under any bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Trust or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days; or an order or decree approving or ordering any of the foregoing shall be entered;
- (e) the Trust shall (i) voluntarily commence any Proceeding or file any petition seeking winding up, liquidation, reorganization or other relief under any bankruptcy, insolvency, receivership or similar law now or hereafter in

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effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in section (d) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Trust or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such Proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

- (f) the Indenture Trustee ceases to have a valid and enforceable first-priority security interest in the Collateral or such security interest proves not to have been a valid or enforceable first-priority security interest when granted or purported to have been granted; or
- (g) it becomes unlawful for the Trust to perform or comply with any of its obligations under the Notes, the Indenture or any other transaction document to which it is a party;

provided, however, that no Indenture Event of Default with respect to any Notes shall occur under either *clause (a) or (b)* above if the Collateral has been realized upon in full and all amounts available to be paid in respect of such Collateral have been distributed in accordance with the provisions of the Indenture.

Rights Upon an Indenture Event of Default

Acceleration and Maturity; Rescission and Annulment. If an Indenture Event of Default occurs and is continuing (other than an Indenture Event of Default described in *clause (d), (e), (f) or (g)* above), the Indenture Trustee, if a responsible officer thereof has actual knowledge of or has received notice of such Indenture Event of Default, may, or at the direction of not less than a majority of the aggregate outstanding Class Principal Balance of the Notes will, declare the Class Principal Balance of all the Notes to be due and payable on the next succeeding Payment Date, and upon any such declaration such principal, together with all accrued and unpaid Interest Payment Amounts on the Notes, and other amounts payable under the Indenture, will become due and payable on the next succeeding Payment Date. If an Indenture Event of Default described in *clause (d), (e), (f) or (g)* above occurs and is continuing, the Class Principal Balance of all of the Notes, together with all accrued and unpaid Interest Payment Amounts on the Notes and other amounts payable under the Indenture, will automatically become due and payable without any declaration or other act on the part of the Indenture Trustee or any Holder.

At any time after such a declaration of acceleration of maturity has been made (except with respect to an Indenture Event of Default described in *clause (d), (e), (f) or (g)* above) and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as provided in the Indenture, a majority of the aggregate outstanding Class Principal Balance of the Notes, by written

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notice to the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Trust has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(A) all overdue amounts payable on or in respect of the Notes (other than amounts due solely as a result of the acceleration),

(B) to the extent that payment of interest on such amount is lawful, interest on such overdue amounts at a rate equal to the applicable Class Coupon,

(C) any accrued and unpaid amounts payable by the Trust pursuant to the Collateral Administration Agreement, and

(ii) the Indenture Trustee has determined that all Indenture Events of Default, other than the nonpayment of the principal of or interest on the Notes that have become due solely by such acceleration, have been cured and a majority of the aggregate outstanding Class Principal Balance of the Notes, by written notice to the Indenture Trustee, has agreed with such determination or waived such Indenture Events of Default.

No such rescission and annulment will affect any subsequent Indenture Event of Default or impair any right consequent thereon.

Collection of Indebtedness and Suits for Enforcement by Indenture Trustee. If an Indenture Event of Default occurs and is continuing, the Indenture Trustee at the direction of a majority of the aggregate outstanding Class Principal Balance of the Notes will proceed to protect and enforce its rights and the rights of the Secured Parties by such appropriate Proceedings as such Holders direct, whether for the specific enforcement of any covenant or agreement in the Indenture or in aid of the exercise of any power granted therein, or to enforce any other proper remedy or legal or equitable right vested in the Indenture Trustee by the Indenture or by law; provided, however, that no such Proceedings may be instituted with respect to the Eligible Investments or any proceeds thereof unless an Indenture Event of Default under *clause (f)* above has occurred and is continuing and, provided further, that the Indenture Trustee will have no duty or obligation to take such action unless such Holders offer indemnification satisfactory to the Indenture Trustee. Absent receipt of any such written direction by a responsible officer of the Indenture Trustee, the Indenture Trustee will have no duty or obligation to take any action in respect of an Indenture Event of Default. In any Proceedings brought by the Indenture Trustee on behalf of the Holders, the Indenture Trustee will be held to represent all the Holders of the Notes and it will not be necessary to make any Holder a party to any such proceeding.

Remedies; Liquidation of Collateral. If an Indenture Event of Default occurs and is continuing, and the Notes have been declared due and payable and such declaration and the consequences of such Indenture Event of Default and acceleration have not been rescinded and annulled, the Trust agrees that the Indenture Trustee will, upon

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direction of a majority of the aggregate outstanding Class Principal Balance of the Notes, to the extent permitted by applicable law, exercise one or more of the following rights, privileges and remedies:

(i) institute Proceedings for the collection of all amounts then payable on the Notes or otherwise payable under the Indenture, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Collateral any monies adjudged due;

(ii) take the actions described under “*Application of Proceeds*” below;

(iii) exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Secured Parties; and

(iv) exercise any other rights and remedies that may be available at law or in equity.

If the Notes have been declared due and payable as described above, the Indenture Trustee will give notice under the Collateral Administration Agreement and the Capital Contribution Agreement of the designation of an Early Termination Date (if the Collateral Administration Agreement and the Capital Contribution Agreement have not yet terminated) and demand payment from Freddie Mac of any amounts due under the Collateral Administration Agreement and the Capital Contribution Agreement (and, if Freddie Mac fails to make any such payment, take the actions described in “— *Application of Proceeds — Procedures Relating to Delayed Payments*” below). Any amounts so paid by Freddie Mac will be held in the Distribution Account for the benefit of the Holders of the Notes, as their interests may appear.

In determining whether the holders of the requisite percentage of Notes have given any direction, notice or consent, Notes owned by Freddie Mac will be disregarded and deemed not to be outstanding.

Application of Proceeds

If an Indenture Event of Default occurs and is continuing, and the Notes have been declared due and payable and such declaration and the consequences of such Indenture Event of Default and acceleration have not been rescinded and annulled, the Holders of a majority of the aggregate outstanding Class Principal Balance of the Notes may direct the Indenture Trustee to (a) withdraw all proceeds of Eligible Investments for the related Payment Date held in the Distribution Account, (b) liquidate all Collateral (other than Collateral which is held in the form of cash) held in the Custodian Account into cash as provided in the Indenture, (c) give notice of a Freddie Mac Default or the occurrence of an event described in clause (vi) of the definition of “Early Termination Date” in the “Glossary of Significant Terms”, as applicable, in accordance with the Indenture, (d) designate an Early Termination Date in accordance with the Indenture and (e) demand payment from Freddie Mac of any amounts due under the Collateral Administration Agreement and/or the Capital Contribution Agreement, as applicable. If any such direction by the Holders of a majority of the



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aggregate outstanding Class Principal Balance of the Notes, as applicable, has been given and carried out, then on the Early Termination Date the Indenture Trustee will apply the funds on deposit in the accounts as follows:

(i) to the payment of any amounts due and payable to Freddie Mac, if any, under the Collateral Administration Agreement;

(ii) to the payment of interest on the Class B-1 Notes, to the extent outstanding, as to amounts accrued and unpaid through such Payment Date; and

(iii) to the repayment to the holders of the Class B-1 Notes, to the extent outstanding, of any remaining Class Principal Balance of the Class B-1 Notes.

Procedures relating to Delayed Payments. If the Indenture Trustee does not receive the net amount, if any, owed by Freddie Mac under the Collateral Administration Agreement and the Capital Contribution Agreement when due, (a) the Indenture Trustee will promptly notify the Trust in writing and (b) unless within 30 days after such notice (i) such payment has been received by the Indenture Trustee, the Indenture Trustee will request Freddie Mac to make such payment as soon as practicable after such request but in no event later than three Business Days after the date of such request. If such payment is not made within such time period, the Indenture Trustee will notify the Holders of such nonpayment and will take such action as the Holders of not less than a majority of the aggregate outstanding Class Principal Balance of the Notes directs in writing or, if no such direction is received, such action as the Indenture Trustee deems most effectual (in each case, which may include declaring an Early Termination Date). Any such action will be without prejudice to any right to claim an Indenture Event of Default.

**United States Federal Income Tax
Consequences**

The Trust will receive an opinion from Shearman & Sterling LLP that, although the tax characterization is not free from doubt, the Class B Notes will be treated in part as a limited recourse guarantee contract and in part as an interest-bearing collateral arrangement for U.S. federal income tax purposes. The Trust, Freddie Mac and each Beneficial Owner of a Note, by acceptance of such Note, will agree to treat such Note in the manner described above unless a change in law or administrative practice requires a Class B Note to be treated in some other manner.

To the extent payments on the Class B Notes are treated as interest with respect to the interest-bearing collateral arrangement, such interest will be eligible for the portfolio interest exemption subject to certain exceptions and requirements. To the extent payments on the Class B Notes are treated as guarantee fees, Shearman & Sterling LLP is of the opinion that such payments generally will be foreign source for Non-U.S. Beneficial Owners that are not engaged in the conduct of a U.S.



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trade or business. Accordingly, Shearman & Sterling LLP is of the opinion that such payments will not be subject to U.S. withholding tax, though paying agents other than Freddie Mac may disagree. Potential investors that are Non-U.S. Beneficial Owners should consult with their tax advisors.

In the opinion of Shearman & Sterling LLP, although the matter is not free from doubt, neither the Trust nor any portion thereof will be classified as an association taxable as a corporation, a publicly traded partnership taxable as a corporation or a taxable mortgage pool taxable as a corporation for U.S. federal income tax purposes. In addition, in the opinion of Shearman & Sterling LLP, the Trust will not be treated as engaged in the conduct of a U.S. trade or business as a result of its contemplated activities.

Legal Investment

To the extent that your investment activities are subject to investment laws and regulations, regulatory capital requirements or review by regulatory authorities, you may be subject to restrictions on investment in the Notes. You should consult your legal, tax and accounting advisers for assistance in determining the suitability of and consequences to you of the purchase, ownership and sale of the Notes.

You should be aware that the Notes do not represent an interest in and are not secured by the Reference Pool or any Reference Obligation and that the Notes do not represent obligations of Freddie Mac.

The Notes will not constitute “mortgage related securities” for purposes of SMMEA.

ERISA Considerations

The Class B Notes may not be acquired or held by Plans or persons acting on behalf of, using the assets of or deemed to hold the assets of a Plan.

Registration and Denomination

The Class B-1 Notes will be issuable in book-entry form through DTC, Euroclear and Clearstream in the minimum denomination specified in Table 1 and integral multiples of \$1 in excess thereof.

Record Date

The Business Day immediately preceding a Payment Date, with respect to Book-Entry Notes, and the last Business Day of the month preceding a Payment Date, with respect to Definitive Notes.

Investment Company Act

The Trust has not registered and will not register with the SEC as an investment company under the Investment Company Act in reliance on Section 2(b) of the Investment Company Act. The Trust has been structured with the intent that it will not constitute a “covered fund” for purposes of the Volcker Rule.

Commodity Pool Considerations

Freddie Mac does not consider the Trust to be a “commodity pool” as such term is defined in the Commodity Exchange Act and, therefore, no person associated with the Trust should be subject to registration with the CFTC as a CPO. If Freddie Mac subsequently determines that



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the Trust is a “commodity pool,” then Freddie Mac or another Transaction Party may be subject to CPO registration absent an exemption. In this case, Freddie Mac may either (i) cause an early termination of the Collateral Administration Agreement and the Capital Contribution Agreement, which would result in redemption of the Notes prior to the Scheduled Maturity Date, or (ii) Freddie Mac, or another Transaction Party, may register as a CPO. If Freddie Mac determines that the Trust is a “commodity pool” under the Commodity Exchange Act, Freddie Mac will direct the Indenture Trustee to notify Noteholders as to Freddie Mac’s proposed course of action, including whether it intends to claim an exemption from CPO registration, effect an early redemption of the Notes, or register as a CPO. You should consult your legal advisors to determine whether, and to what extent, you would be impacted if the Trust were to be deemed a “commodity pool” and investments in the Notes were to be deemed an investment in commodity interests that could subject the investor to regulation as a “commodity pool”.

GLOSSARY OF SIGNIFICANT TERMS

Whenever used in this Term Sheet, the following words and phrases have the following meanings, unless the context otherwise requires.

“Account Bank” means U.S. Bank National Association.

“Account Control Agreement” means the Account Control Agreement dated as of the Closing Date between the Trust, the Indenture Trustee, the Account Bank and the Custodian, as the same may be amended, supplemented or modified from time to time.

“Accounting Net Yield” with respect to each Payment Date and any Reference Obligation, means the related mortgage rate less the related servicing fee rate.

“Accrual Period” with respect to each Payment Date, means the period beginning on and including the prior Payment Date (or, in the case of the first Payment Date, the Closing Date) and ending on and including the day preceding such Payment Date.

“Additional Collateral” means, all of the Trust’s right, title and interest in, to and under, whether now owned or existing, or hereafter acquired or arising, (a) the Collateral Administration Agreement and Capital Contribution Agreement and all payments to the Trust thereunder or with respect thereto, (b) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights, consisting of, arising from, or relating to, any of the foregoing and (c) all proceeds, accessions, profits, income, benefits, substitutions and replacements, whether voluntary or involuntary, of and to any of the property of the Trust described in the preceding clauses.

“Administration Agreement” means the Administration Agreement dated as of the Closing Date among the Indenture Trustee, the Custodian, the Account Bank, the Investment Manager, the Owner Trustee, the Trust, the Sponsor and the Administrator, as the same may be amended, supplemented or modified from time to time.

“Administrator” means the administrator pursuant to the Administration Agreement. On the Closing Date, the Administrator will be Freddie Mac.

“Affiliate” with respect to a specified person, means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

“Basic Documents” means the Trust Agreement, the Notes, the Owner Certificate, the Indenture, the Collateral Administration Agreement, the Capital Contribution Agreement, the Administration Agreement, the Account Control Agreement, the Investment Management Agreement, the Note Purchase Agreement and each other document to which the Trust is or may become a party, in each case as the same may be amended, supplemented or modified from time to time.

“Benchmark” means, initially, SOFR; provided that if Freddie Mac determines prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by Freddie Mac as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (3) the sum of: (a) the alternate rate of interest that has been selected by Freddie Mac as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate securities at such time and (b) the Benchmark Replacement Adjustment.

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“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by Freddie Mac as of the Benchmark Replacement Date:

- (1) the spread adjustment (which may be a positive or negative value or zero), or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by Freddie Mac giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the Accrual Period, timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that Freddie Mac decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if Freddie Mac decides that adoption of any portion of such market practice is not administratively feasible or if Freddie Mac determines that no market practice for use of the Benchmark Replacement exists, in such other manner as Freddie Mac determines is reasonably necessary).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

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- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

“**Beneficial Owner**” means, individually and collectively, a U.S. Beneficial Owner and a Non-U.S. Beneficial Owner.

“**BlackRock**” means BlackRock Financial Management, Inc.

“**BofA Securities**” means BofA Securities, Inc.

“**Book-Entry Notes**” means global notes in book-entry form held through the book-entry system of DTC, Euroclear or Clearstream, as applicable.

“**Business Day**” means a day other than (i) a Saturday or Sunday; or (ii) a day on which the offices of Freddie Mac, the corporate trust offices of the Owner Trustee, the corporate trust offices of the Indenture Trustee, DTC, or the banking institutions in the City of New York are authorized or obligated by law or executive order to be closed.

“**Capital Contribution Agreement**” means the Capital Contribution Agreement dated as of the Closing Date among the Trust, the Indenture Trustee and Freddie Mac, as the same may be amended, supplemented or modified from time to time.

“**Capital Contribution Amount**” with respect to each Payment Date, means the sum of the Index Component Contribution *plus* the Investment Liquidation Contribution for such Payment Date.

“**CFTC**” means the Commodity Futures Trading Commission.

“**Class**” means, individually and collectively, the classes of Notes and/or the classes of Reference Tranches, as the context may require. On the Closing Date, the Trust will issue the Class B-1 Notes pursuant to the Indenture. Notwithstanding any statements or words otherwise suggesting the existence of multiple Classes of Notes, any reference to “Classes of Notes”, “each Class of Notes”, “each Class of outstanding Notes”, “any Class of outstanding Notes”, “Class Principal Balances” and other words of similar import in this Term Sheet, refers to the Class B-1 Notes or the Class Principal Balance of the Class B-1 Notes, as applicable, as the context requires.

“**Class B Notes**” means the Class B-1 Notes.

“**Class Coupon**” means the applicable *per annum* interest rate for each of the Class B Notes, Class M-1H Reference Tranche, Class M-2H Reference Tranche and Class B-2H Reference Tranche, which will be equal to: (x) for the first Accrual Period, the *per annum* interest rate shown for such Class under the column “Initial Class Coupon” in [Table 1](#) and (y) for all other Accrual Periods, the sum of (a) the SOFR Rate *plus* (b) the margin shown for such Class in [Table 1](#), subject to the applicable Class Coupon Minimum Rate set forth in [Table 1](#).

“**Class Notional Amount**” with respect to each Class of Reference Tranche as of any Payment Date, means the notional principal amount on such Payment Date which amount will equal the initial Class Notional Amount of such Class of Reference Tranche, *minus* the aggregate amount of Senior Reduction Amounts and/or Subordinate Reduction Amounts and Supplemental Subordinate Reduction Amounts allocated to such Class of Reference Tranche on such Payment Date and all prior Payment Dates, *minus* the aggregate amount of Tranche Write-down Amounts allocated to reduce the Class Notional Amount of such Class of Reference Tranche on such Payment Date and on all prior Payment Dates, *minus* the aggregate amount of Notes Retirement Amounts paid, if any, by the Trust to Freddie Mac to retire any portion of the Corresponding Class of Notes on such Payment Date and on all prior Payment Dates, *plus* the aggregate amount of Tranche Write-up Amounts allocated to increase the Class Notional Amount of such Class of Reference Tranche on such Payment Date and on all prior Payment Dates, *plus*, with respect to the Class A-H Reference Tranche, the aggregate amount of Supplemental Senior Increase Amounts allocated to increase the Class Notional Amount thereof on such Payment Date and on all prior Payment Dates, and *plus*, in the case of the Class B-1H Reference Tranche, the amount of Notes Retirement Amount allocated to reduce the Class Notional Amount of the Class B-1 Reference Tranche. For the avoidance of doubt, no Tranche Write-up Amount or Tranche Write-down Amount will be applied twice on the same Payment Date.

“**Class Principal Balance**” means, individually and collectively, as of any Payment Date and with respect to each Class of Notes, the maximum dollar amount of principal to which the Holders of such Class of Notes are then entitled,

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with such amount being equal to the original Class Principal Balance of such Class of Notes, *minus* the aggregate amount of principal paid by the Trust on such Class of Notes on such Payment Date and all prior Payment Dates, *minus* the aggregate amount of Notes Retirement Amounts paid, if any, by the Trust to Freddie Mac on such Payment Date and all prior Payment Dates to retire any portion of such Class of Notes, *minus* the aggregate amount of Tranche Write-down Amounts allocated to reduce the Class Principal Balance of such Class of Notes on such Payment Date and on all prior Payment Dates, and *plus* the aggregate amount of Tranche Write-up Amounts allocated to increase the Class Principal Balance of such Class of Notes on such Payment Date and on all prior Payment Dates.

“**Clearstream**” means Clearstream Banking, société anonyme, which holds securities for its participants and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants.

“**Closing Date**” means November 22, 2022.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Collateral**” means collectively, the Additional Collateral and the Secured Collateral.

“**Collateral Administration Agreement**” means the Collateral Administration Agreement dated as of the Closing Date among the Trust, the Indenture Trustee and Freddie Mac, as the same may be amended, supplemented or modified from time to time.

“**Commodity Exchange Act**” means the Commodity Exchange Act, 7 U.S.C. 1 *et seq.*

“**Common Depository**” means the common depository for Euroclear, Clearstream and/or any other applicable clearing system, which will hold Common Depository Notes on behalf of Euroclear, Clearstream and/or any such other applicable clearing system.

“**Common Depository Notes**” means Notes that are deposited with a Common Depository and that will clear and settle through the systems operated by Euroclear, Clearstream and/or any such other applicable clearing system other than DTC.

“**Compounded SOFR**” with respect to any U.S. Government Securities Business Day, means:

- (1) the applicable compounded average of SOFR for the Corresponding Tenor of 30 days as published on such U.S. Government Securities Business Day at the SOFR Determination Time; or
- (2) if the rate specified in (1) above does not so appear, the applicable compounded average of SOFR for the Corresponding Tenor as published in respect of the first preceding U.S. Government Securities Business Day for which such rate appeared on the FRBNY’s Website.

Freddie Mac generally refers to the specific Compounded SOFR rate by its tenor. For example, “30-day Average SOFR” refers to the compounded average SOFR over a rolling 30-calendar day period as published on the FRBNY’s Website.

“**Corresponding Class of Notes**” means with respect to the Class B-1 Reference Tranche, the Class B-1 Notes.

“**Corresponding Class of Reference Tranche**” means with respect to the Class B-1 Notes, the Class B-1 Reference Tranche.

“**Corresponding Tenor**” with respect to the Class Coupon of a Note or Reference Tranche with a Class Coupon based SOFR means a tenor (including overnight) having the length (disregarding any business day adjustment) of 30 days or one-month.

“**CPO**” means a “commodity pool operator” as defined under the Commodity Exchange Act.

“**Credit Event**” with respect to any Payment Date on or before the Termination Date and any Reference Obligation, means the first to occur of any of the following events with respect to such Reference Obligation being reported by the applicable servicer to Freddie Mac during the related Reporting Period: (i) a seriously delinquent mortgage note is sold in good faith by Freddie Mac prior to foreclosure with the intent to maximize the net recovery from the

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underlying mortgage loan, (ii) the mortgaged property that secured the related mortgage note is sold to a third party at a foreclosure sale, (iii) an REO disposition occurs, (iv) any final disposition of a bankruptcy or insolvency petition or action involving the underlying borrower, guarantor or other loan obligor on such Reference Obligation or of an action in which any such obligor admits in writing its inability to pay its obligations as they arise, or (v) the related mortgage note is charged off. With respect to any Credit Event Reference Obligation, there can only be one occurrence of a Credit Event, provided that one additional separate Credit Event can occur with respect to each instance of such Credit Event Reference Obligation becoming a Reversed Credit Event Reference Obligation.

“Credit Event Amount” with respect to each Payment Date, means the aggregate amount of the Credit Event UPBs of all Credit Event Reference Obligations for the related Reporting Period.

“Credit Event Net Gain” with respect to any Credit Event Reference Obligation, means an amount equal to the excess, if any, of:

- (a) the related Net Liquidation Proceeds; over
- (b) the sum of:
 - (i) the related Credit Event UPB;
 - (ii) the total amount of prior principal forgiveness modifications, if any, on the related Credit Event Reference Obligation; and
 - (iii) delinquent accrued interest thereon, calculated at the related Current Accrual Rate from the related last paid interest date through the date Freddie Mac determines such Reference Obligation has been reported as a Credit Event Reference Obligation.

“Credit Event Net Loss” with respect to any Credit Event Reference Obligation, means an amount equal to the excess, if any, of:

- (a) the sum of:
 - (i) the related Credit Event UPB;
 - (ii) the total amount of prior principal forgiveness modifications, if any, on the related Credit Event Reference Obligation; and
 - (iii) delinquent accrued interest thereon, calculated at the related Current Accrual Rate from the related last paid interest date through the date Freddie Mac determines such Reference Obligation has been reported as a Credit Event Reference Obligation, over
- (b) the related Net Liquidation Proceeds.

“Credit Event Reference Obligation” with respect to any Payment Date, means any Reference Obligation with respect to which a Credit Event has occurred during the related Reporting Period.

“Credit Event UPB” with respect to any Credit Event Reference Obligation, means the UPB thereof as of the end of the Reporting Period related to the Payment Date on which it became a Credit Event Reference Obligation.

“Crossed Loan Group” means a group of two or more Reference Obligations that are made up of either (1) mortgage loans that are cross-collateralized and cross-defaulted with each mortgage loan in such group or (2) mortgage loans and a related supplemental loan (e.g. a taxable tail).

“Current Accrual Rate” with respect to each Payment Date and any Reference Obligation, means the related current Accounting Net Yield (as adjusted for any modifications).

“Custodian” means the custodian pursuant to the Account Control Agreement. On the Closing Date, the Custodian will be U.S. Bank Trust Co.

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“**Custodian Account**” means, an Eligible Account designated as the “Custodian Account” established and maintained by the Custodian at the Account Bank pursuant to the Indenture and the Account Control Agreement in the name of the Trust, subject to the lien of the Indenture Trustee, for the benefit of the Secured Parties, in each case as their interests may appear.

“**Cut-off Date**” means the close of business on November 1, 2022.

“**Cut-off Date Balance**” means \$5,505,577,869, which is the aggregate UPB of the Reference Obligations as of the Cut-off Date.

“**Day Count Fraction**” means the percentage equivalent of a fraction, the numerator of which is the actual number of days in the related Accrual Period and the denominator of which is 360.

“**Definitive Notes**” means fully-registered Notes in definitive form.

“**Delinquency Test**” with respect to any Payment Date, means a test that will be satisfied if:

(a) the sum of the Distressed Principal Balance for the current Payment Date and each of the preceding two Payment Dates, divided by three or, in the case of any Payment Date prior to the third Payment Date after the Closing Date, the sum of the Distressed Principal Balance for the current Payment Date and each of the preceding Payment Dates, divided by the number of Payment Dates since the Closing Date,

is less than

(b) 40% of the amount by which (i) the product of (x) the Subordinate Percentage and (y) the aggregate UPB of the Reference Obligations as of the preceding Payment Date; exceeds (ii) the Principal Loss Amount for the current Payment Date.

“**Distressed Principal Balance**” with respect to any Payment Date, means the sum, without duplication, of the UPB of Reference Obligations that meet any of the following criteria:

- (a) Reference Obligations that are reported as 60 days or more delinquent; or
- (b) Reference Obligations that are in foreclosure, bankruptcy, or REO status.

“**Distribution Account**” means the Eligible Account designated as the “Distribution Account”, and established in the name of the Indenture Trustee at the Account Bank pursuant to the Indenture in which the following amounts will be deposited upon receipt: (a) investment income earned on the Eligible Investments, (b) proceeds from the liquidation of Eligible Investments and (c) the Transfer Amounts, Return Reimbursement Amounts, Capital Contribution Amounts and Return Amounts that become due and payable.

“**Dodd-Frank Act**” means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

“**DTC**” means The Depository Trust Company, a New York-chartered limited purpose trust company.

“**DTC Note**” means a Note cleared, settled and maintained on the DTC system, registered in the name of a nominee of DTC. All Notes will be DTC Notes at issuance.

“**Early Redemption Date**” means the Payment Date on which the Notes will be redeemed, which date is concurrent with the Early Termination Date.

“**Early Termination Date**” means the earliest to occur of:

- (i) the Payment Date so designated by the Trust following the occurrence of a Freddie Mac Default;
- (ii) the Payment Date so designated by Freddie Mac following the occurrence of an Optional Termination Event;
- (iii) the Payment Date related to the Reporting Period in which there occurs the final payment or other liquidation of the last Reference Obligation remaining in the Reference Pool or the disposition of any REO in respect thereof;

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(iv) the Payment Date related to the Reporting Period in which there occurs the removal of the last Reference Obligation remaining in the Reference Pool or any REO in respect thereof;

(v) the Payment Date on which the aggregate Class Principal Balance of all outstanding Classes of Notes is reduced to zero (without giving effect to any allocations of Tranche Write-down Amounts or Tranche Write-up Amounts on such Payment Date and all prior Payment Dates) and accrued and unpaid interest due on the Notes has been paid in full; and

(vi) the Payment Date so designated by the Trust or Freddie Mac:

(a) in the event the maturity of the Notes has been accelerated in accordance with the Indenture; or

(b) following a merger or analogous event by the Trust or Freddie Mac without a corresponding assumption of the Trust's or Freddie Mac's respective obligations under the Basic Documents.

“Eligibility Criteria” means the eligibility criteria to be satisfied with respect to each mortgage loan and the related Reference Obligation in the Reference Pool, which criteria are as follows:

(a) is a first-lien mortgage loan or a second-lien mortgage loan coupled with first-lien mortgage loan secured by a multifamily mortgaged property, with an original term of 60 to 360 months;

(b) was originated between March 8, 2019 and September 13, 2022;

(c) has not been 30 or more days delinquent from the date of acquisition;

(d) has not been in forbearance or other payment relief program from the date of acquisition;

(e) was not originated as part of a structured pool transaction or small balance program;

(f) has an underwritten debt service coverage ratio that is greater than or equal to 1.25x (or, in the case of a targeted affordable housing loan or a specially-approved loan, greater than or equal to 1.15x or 1.20x, respectively); and

(g) has an underwritten loan-to-value ratio that is less than or equal to 80% (or, in the case of a targeted affordable housing loan, less than or equal to 90%).

“Eligible Account” means any of (a) an account or accounts maintained with a federal or state-chartered depository institution or trust company (including the Indenture Trustee, the Account Bank and the Custodian and their affiliates) that, in either case, has a combined capital and surplus of at least \$1,000,000,000 and the long-term unsecured debt obligations or issuer rating of which are rated at least “BBB” by S&P, “A2” by Moody’s or “A” by Fitch, if the deposits are to be held in such account for 30 days or more, or the short-term debt obligations of which have a short-term rating of not less than “A-2” by S&P, “P-1” by Moody’s or “F1” by Fitch, if the deposits are to be held in such account for less than 30 days; or (b) a segregated trust account or accounts maintained with the corporate trust department of a federal or state-chartered depository institution or trust company that, in either case, has a combined capital and surplus of at least \$50,000,000 and has corporate trust powers, acting in its fiduciary capacity, and the long-term deposit or unsecured debt obligations or issuer rating of which are rated at least “BBB” by S&P, “A” by Fitch and “Baa3” by Moody’s, if the deposits are to be held in such account for 30 days or more, or the short-term debt obligations of which have a short-term rating of not less than “A-2” by S&P, “F1” by Fitch and “P-3” by Moody’s, if the deposits are to be held in such account for less than 30 days, provided, that with respect to this clause (b), that any state-chartered depository institution or trust company is subject to regulation regarding fiduciary funds substantially similar to 12 C.F.R. § 9.10(b). Notwithstanding the foregoing, any federal or state-chartered depository institution or trust company, as described above, that maintains the Distribution Account, is required to be rated at least “Baa1” by Moody’s.

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“Eligible Investments” means each of the following U.S. dollar-denominated investments, provided such investment has a maturity date no later than 60 days from the date of purchase (except as otherwise set forth in (b) below):

(a) Obligations issued or fully guaranteed by (i) the U.S. government or a U.S. government agency or instrumentality, (ii) the World Bank, (iii) the International Finance Corporation, (iv) the Inter-American Development Bank or (v) the Asian Development Bank;

(b) Repurchase obligations involving any security described in (a) above (without any restriction based on the maturity date of such security) and entered into with an approved counterparty under the Investment Management Agreement; and

(c) Government money market funds rated in one of two highest categories for long-term unsecured debt or in the highest category for short-term obligations by each applicable NRSRO; provided that such fund is an approved fund under the Investment Management Agreement;

provided, however, that in the event an investment fails to qualify under any of clauses (a) through (c) above, the proceeds of the sale of such investment will still be deemed to be proceeds of an Eligible Investment, provided such proceeds are promptly distributed in accordance with the Indenture or reinvested in Eligible Investments, as applicable. With respect to government money market funds, the maturity date will be determined under SEC Rule 2a-7 promulgated under the Investment Company Act.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Plan” means an employee benefit plan, or certain other retirement plans and arrangements, including IRAs and annuities, Keogh plans, and collective investment funds in which such plans, accounts, annuities or arrangements are invested, that are described in or must follow Title I of ERISA or Section 4975 of the Code, or an entity that is deemed to hold the assets of any such plan.

“EU” means the European Union.

“EU Institutional Investor” means an institutional investor as defined in the EU Securitization Regulation.

“EU Securitization Regulation” means Regulation (EU) 2017/2401 amending Regulation (EU) No. 575/2013 and Regulation (EU) 2017/2402 relating to a European framework for simple, transparent and standardized securitization, as amended, varied or substituted from time to time, and including any implementing regulation, technical standards and official guidance related thereto, in each case as amended, varied or substituted from time to time.

“Euroclear” means the Euroclear system.

“EUWA” means the European Union (Withdrawal) Act 2018, as amended.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Expenses” with respect to any Payment Date, means an amount equal to the sum of all related fees, charges, indemnity amounts, costs and other amounts payable or reimbursable to each of the Indenture Trustee, the Account Bank, the Custodian, the Investment Manager and the Owner Trustee, but excluding the Fees.

“Fees” with respect to each Transaction Party, means the annual fees (whether payable annually, monthly or otherwise) payable to such party with respect to the execution of their respective duties under the Basic Documents as may be agreed to by such Transaction Party and the Sponsor, including, without limitation, the Indenture Trustee fee, the Custodian fee, the Investment Manager fee and the Owner Trustee fee.

“Fitch” means Fitch Ratings, Inc., and its successors and assigns.

“FRBNY” means the Federal Reserve Bank of New York.

“FRBNY’s Website” means the website of the FRBNY, currently at <https://apps.newyorkfed.org/markets/autorates/sofr-avg-ind> or at such other page as may replace such page on the FRBNY’s website.



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“**Freddie Mac**” means the Federal Home Loan Mortgage Corporation, a United States government-sponsored enterprise created and existing under the Freddie Mac Act, its successors and assigns.

“**Freddie Mac Act**” means the Federal Home Loan Mortgage Corporation Act, as amended (12 U.S.C. §1451-1459).

“**Freddie Mac Default**” means an Indenture Event of Default resulting from any one or more of the following, subject to any applicable notice and cure provisions:

(a) any failure by Freddie Mac to pay an amount in excess of \$10,000 (in the aggregate) due and owing by Freddie Mac under the Administration Agreement, which failure continues unremedied for 30 days after the receipt of notice of such failure by Freddie Mac from the Indenture Trustee; or

(b) any failure by Freddie Mac to pay any amount due and owing by Freddie Mac under the Collateral Administration Agreement and/or the Capital Contribution Agreement, which failure continues unremedied for 30 days after the receipt of notice of such failure by Freddie Mac from the Indenture Trustee; or

(c) any failure by Freddie Mac to perform in any material way any other covenant or agreement in the Administration Agreement, the Collateral Administration Agreement and/or the Capital Contribution Agreement, which failure continues unremedied for 60 days after the receipt of notice of such failure by Freddie Mac from the Indenture Trustee; or

(d) a court having jurisdiction enters a decree or order for relief in respect of Freddie Mac in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoint a receiver, liquidator, assignee, custodian, or sequestrator (or other similar official) of Freddie Mac or for all or substantially all of Freddie Mac’s property, or order the winding up or liquidation of Freddie Mac’s affairs, and such decree or order remains unstayed and in effect for a period of 60 consecutive days; or

(e) Freddie Mac commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or Freddie Mac consents to the entry of an order for relief in an involuntary case under any such law, or Freddie Mac consents to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, or sequestrator (or other similar official) of Freddie Mac or any substantial part of Freddie Mac’s property, or Freddie Mac makes any general assignment for the benefit of creditors, or Freddie Mac fails generally to pay its debts as they become due; provided, that the appointment of a conservator (or other similar official) by a regulator having jurisdiction over Freddie Mac, whether or not Freddie Mac consents to such appointment, will not constitute a Freddie Mac Default.

“**Guide**” means the Freddie Mac Multifamily Seller/Service Guide.

“**Holder**” means, in the case of (a) DTC Notes, DTC or its nominee; (b) Common Depositary Notes, the depositary, or its nominee, in whose name the Notes are registered on behalf of a related clearing system; and (c) Notes in definitive registered form, the person or entity in whose name such Notes are registered in the Note Register.

“**Indenture**” means that certain Indenture, to be dated as of the Closing Date, among the Trust, as Issuer, U.S. Bank Trust Co., as Indenture Trustee, U.S. Bank Trust Co., as Custodian, and U.S. Bank N.A., as Account Bank, as the same may be amended, supplemented or modified from time to time.

“**Indenture Trustee**” means the indenture trustee pursuant to the Indenture. On the Closing Date, the Indenture Trustee will be U.S. Bank Trust Co.

“**Index Component**” with respect to any Payment Date, means an amount equal to the product of (i) the SOFR Rate for such Payment Date, (ii) the aggregate Class Principal Balance of the Notes immediately preceding such Payment Date and (iii) the Day Count Fraction.

“**Index Component Contribution**” with respect to any Payment Date, means an amount equal to the excess, if any, of the Index Component over the investment earnings on Eligible Investments.

“**Initial Purchaser**” means, individually and collectively, BofA Securities, Wells Fargo Securities, Goldman Sachs & Co. LLC, Multi-Bank Securities, Inc. and Performance Trust Capital Partners, LLC.

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“**Institutional Investors**” means, individually and collectively, EU Institutional Investors and UK Institutional Investors.

“**Interest Accrual Amount**” with respect to the Class B Notes (and for purposes of calculating allocations of any Modification Gain Amounts or Modification Loss Amounts, the Class M-1H Reference Tranche, Class M-2H Reference Tranche and Class B-2H Reference Tranche) during each Accrual Period, means an amount equal to:

- (i) the Class Coupon for such Class of Notes, the Class M-1H Reference Tranche, the Class M-2H Reference Tranche or the Class B-2H Reference Tranche, as applicable, for such Accrual Period (calculated using the applicable Class Coupon formula described in Table 1, if applicable), multiplied by
- (ii) the Class Principal Balance or Class Notional Amount of such Class of Notes, the Class M-1H Reference Tranche, the Class M-2H Reference Tranche or the Class B-2H Reference Tranche, as applicable, immediately prior to such Payment Date, multiplied by
- (iii) the Day Count Fraction.

“**Interest Payment Amount**” with respect to each outstanding Class of Notes and any Payment Date, means an amount equal to the Interest Accrual Amount for such Class of Notes on such Payment Date, less any Modification Loss Amount for such Payment Date allocated to reduce the Interest Payment Amount for such Class of Notes for such Payment Date pursuant to the Modification Loss Priority, or *plus* any Modification Gain Amount for such Payment Date allocated to increase the Interest Payment Amount of such Class of Notes for such Payment Date pursuant to the Modification Gain Priority.

“**Investment Company Act**” means the Investment Company Act of 1940, as amended.

“**Investment Liquidation Contribution**” with respect to any Payment Date, means an amount equal to the excess, if any, of (a) the book value of Eligible Investments liquidated with respect to such Payment Date over (b) the liquidation proceeds of such Eligible Investments.

“**Investment Management Agreement**” means the Investment Management Agreement dated as of the Closing Date among the Investment Manager, the Administrator, the Sponsor and the Trust, as the same may be amended, supplemented or modified from time to time.

“**Investment Manager**” means the investment manager pursuant to the Investment Management Agreement. On the Closing Date, the Investment Manager will be BlackRock.

“**IRA**” means an individual retirement account.

“**ISDA**” means the International Swaps and Derivatives Association.

“**ISDA Definitions**” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark.

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

“**Issuer**” means the Trust.

“**Junior Reference Tranche**” means each of the Class B-1, Class B-1H and Class B-2H Reference Tranches.

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“**Liquidation Proceeds**” means, with respect to any Payment Date and any Credit Event Reference Obligation, the sum of the following recoveries, without duplication:

- (a) all cash proceeds actually received by Freddie Mac from a third-party under any foreclosure, power-of-sale or other sale of the underlying mortgaged property to a third-party;
- (b) all rental income actually received by Freddie Mac in connection with the underlying mortgaged property *plus* all other cash amounts received by the lender or its servicer under the mortgage loan from the borrower, guarantor or other obligor in connection with the Credit Event Reference Obligation;
- (c) any cash amounts actually received by Freddie Mac from any third-party in connection with such Credit Event Reference Obligation that are not applied to the restoration of the mortgaged property or to obligations owed by the underlying borrower under the terms of the mortgage loan; and
- (d) any escrows or reserves not previously applied against the Credit Event UPB.

“**Maturity Date**” means the earliest to occur of (i) the Scheduled Maturity Date, (ii) the Early Redemption Date and (iii) the Termination Date.

“**MCIP**” means multifamily credit insurance pool.

“**Mezzanine Reference Tranche**” means each of the Class M-1H and Class M-2H Reference Tranches.

“**Minimum Credit Enhancement Test**” with respect to any Payment Date, means a test that will be satisfied if the Subordinate Percentage is greater than or equal to 6.25%.

“**Modification Event**” with respect to any Reference Obligation, means the occurrence of a principal forbearance or mortgage rate modification relating to such Reference Obligation, in each case as reported by the applicable servicer to Freddie Mac during the related Reporting Period, it being understood that in the absence of such mortgage rate modifications or principal balance reductions on account of principal forbearance, a conversion of an adjustable rate to a fixed rate or a term extension with respect to a Reference Obligation will not constitute a Modification Event.

“**Modification Excess**” with respect to each Payment Date and any Reference Obligation that has experienced a Modification Event, means the excess, if any, of:

- (a) the monthly Current Accrual Rate of such Reference Obligation multiplied by the interest bearing UPB of such Reference Obligation; over
- (b) the monthly Original Accrual Rate of such Reference Obligation multiplied by the UPB of such Reference Obligation,

in each case, subject to the interest rate accrual conventions applicable to such Reference Obligation.

“**Modification Gain Amount**” with respect to each Payment Date, means the excess, if any, of the aggregate Modification Excess over the aggregate Modification Shortfall for such Payment Date.

“**Modification Gain Priority**” means the order of priority in which the Modification Gain Amount, if any, will be allocated on each Payment Date on or prior to the Maturity Date, as described in “*Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Modification Gain Amount*”.

“**Modification Loss Amount**” with respect to each Payment Date, means the excess, if any, of the aggregate Modification Shortfall over the aggregate Modification Excess for such Payment Date.

“**Modification Loss Priority**” means the order of priority in which the Modification Loss Amount, if any, will be allocated on each Payment Date on or prior to the Maturity Date, as described in “*Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Modification Loss Amount*”.

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“Modification Shortfall” with respect to each Payment Date and any Reference Obligation that has experienced a Modification Event, means the excess, if any, of:

(a) the monthly Original Accrual Rate of such Reference Obligation multiplied by the UPB of such Reference Obligation; over

(b) the monthly Current Accrual Rate of such Reference Obligation multiplied by the interest bearing UPB of such Reference Obligation,

in each case, subject to the interest rate accrual conventions applicable to such Reference Obligation.

“Moody’s” means Moody’s Investors Service, Inc., and its successors and assigns.

“Multi PC” means a Freddie Mac Multifamily Mortgage Participation Certificate.

“Net Liquidation Proceeds” with respect to each Payment Date and any Credit Event Reference Obligation, means the related Liquidation Proceeds (except for those included in the Modification Excess for such Credit Event Reference Obligation), less related expenses, credits and reimbursement of advances; including but not limited to (1) taxes and insurance, legal costs, maintenance and preservation costs, (2) all servicing fees, (3) all loss mitigation costs, fees and expenses, (4) all bankruptcy or forbearance related costs, expenses and fees, (5) all operating costs related to rehabilitation, maintenance and operation, (6) all disposition costs and expenses and (7) any other payments due but unpaid by the borrower, guarantor or other obligor.

“Non-U.S. Beneficial Owner” means a Beneficial Owner of a Note that is an individual, a corporation, an estate or a trust that is not a U.S. Person.

“Note Purchase Agreement” means the Note Purchase Agreement dated on or before the Closing Date among Freddie Mac, the Trust, BofA Securities and Wells Fargo Securities, under which BofA Securities is acting for itself and as representative of the Initial Purchasers, other than Wells Fargo Securities, as the same may be amended, supplemented or modified from time to time.

“Note Register” means a register of the Holders of Notes maintained by the Note Registrar pursuant to the Indenture.

“Note Registrar” means the note registrar pursuant to the Indenture. On the Closing Date, the Note Registrar will be U.S. Bank Trust Co.

“Noteholder” means a holder of a Note and is used interchangeably with Holder.

“Notes” means the Class B-1 Notes.

“Notes Retirement Amount” means, with respect to any Notes presented by Freddie Mac to the Trust for retirement of such Notes in accordance with the Indenture, an amount equal to the portion of unpaid Class Principal Balance attributable to such Notes after taking in account the allocation on such Payment Date of all Tranche Write-down Amounts, Tranche Write-up Amounts, Modification Gain Amounts, Modification Loss Amounts, Senior Reduction Amounts, Subordinate Reduction Amounts, Supplemental Subordinate Reduction Amounts and Supplemental Senior Increase Amounts.

“NRSRO” means a nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act.

“Offered Reference Tranche Percentage” with respect to each Payment Date, means a fraction, expressed as a percentage, equal to the aggregate Class Notional Amount of the Class M-1H, Class M-2H, Class B-1 and Class B-1H Reference Tranches (after allocation of the Senior Reduction Amount, the Subordinate Reduction Amount and any Tranche Write-down Amounts and Tranche Write-up Amounts for such Payment Date) divided by the UPB of the Reference Obligations at the end of the related Reporting Period.

“Official Body” means any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, or any accounting board or authority (whether or not part of any government) that is

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responsible for establishing or interpreting accounting standards or principles, in each case whether foreign or domestic.

“**Optional Termination Event**” means the occurrence of any of the following:

(1) The SEC makes a final determination that the Trust must register as an investment company under the Investment Company Act.

(2) Freddie Mac reasonably determines, after consultation with external counsel (which will be a nationally recognized and reputable law firm), that Freddie Mac or another Transaction Party must register as a CPO under the Commodity Exchange Act and the regulations promulgated thereunder.

(3) Freddie Mac reasonably determines that after the Closing Date, the adoption of any applicable law, regulatory guideline or interpretation or other statement of or regarding financial or regulatory accounting standards or principles, including with respect to capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Official Body, or any request or directive regarding the foregoing (in each case, whether or not having the force of law) of any Official Body, (a) materially adversely affects or would have the effect of materially adversely affecting the rate of return on the capital of Freddie Mac or any affiliate thereof, (b) materially increases the cost or reduces the benefit or would have the effect of materially increasing the cost or reducing the benefit to Freddie Mac or any such affiliate, in any case with respect to the Collateral Administration Agreement or (c) has or would have a materially adverse effect on the treatment of the Collateral Administration Agreement by Freddie Mac or any affiliate thereof for financial accounting purposes.

(4) Freddie Mac reasonably determines that a financial accounting, tax, banking, insurance or regulatory (including regulatory accounting) requirement or event not contemplated by Freddie Mac on the Closing Date has occurred, which requirement or event could have a material adverse effect upon Freddie Mac.

(5) Freddie Mac reasonably determines after consultation with a nationally recognized and reputable law firm, that any amendment, supplement or other modification of any Basic Document or any waiver of any provision thereof would materially and adversely affect Freddie Mac’s interests, but only if Freddie Mac has not provided its written consent to such amendment, supplement, modification or waiver.

(6) The aggregate UPB of the Reference Obligations is less than or equal to 10% of the Cut-off Date Balance of the Reference Pool.

(7) The Payment Date occurring in November of any year commencing with the Payment Date in November 2030 if any Notes remain outstanding on or after each such Payment Date.

(8) Any failure by the Trust to pay any amount due and owing to Freddie Mac under the Collateral Administration Agreement, which failure continues unremedied for 30 days after the receipt of notice of such failure by the Trust from Freddie Mac.

(9) Any failure by the Trust to perform in any material way any other covenant or agreement in the Collateral Administration Agreement, which failure continues unremedied for 60 days after the receipt of notice of such failure by the Trust from Freddie Mac.

“**Original Accrual Rate**” with respect to (a) any Reference Obligation with a fixed interest rate means the interest rate as of the Cut-off Date and (b) any Reference Obligation with an adjustable interest rate and each Payment Date means an interest rate calculated for such Payment Date using the interest rate benchmark and spread that was applicable to such Reference Obligation as of the Cut-off Date.

“**Overcollateralization Amount**” with respect to each Payment Date, means an amount equal to (a) the aggregate amount of Write-up Excesses for such Payment Date and all prior Payment Dates, *minus* (b) the aggregate amount of Write-up Excesses used to offset Tranche Write-down Amounts on all prior Payment Dates.

“**Owner Certificate**” means the certificate evidencing beneficial ownership of the Trust.

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“**Owner Trustee**” means the owner trustee pursuant to the Trust Agreement. On the Closing Date, the Owner Trustee will be Wilmington Trust, National Association, not in its individual capacity but solely in its capacity as owner trustee of Freddie Mac MSCR Trust MN5.

“**Payment Date**” means the 25th day of each calendar month (or, if such date is not a Business Day, the following Business Day), commencing in December 2022.

“**Plan**” means an ERISA Plan or a governmental plan, church plan or foreign plan that is subject to foreign law or United States federal, state or local law similar to that of Title I of ERISA or Section 4975 of the Code.

“**Preliminary Class Notional Amount**” with respect to each Reference Tranche and any Payment Date, means an amount equal to the Class Notional Amount of such Reference Tranche immediately prior to such Payment Date, after the application of the Preliminary Tranche Write-down Amount in accordance with the same priorities set forth in “*Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Tranche Write-down Amounts,*” and after the application of the Preliminary Tranche Write-up Amount in accordance with the same priorities set forth in “*— Allocation of Tranche Write-up Amounts*”. The Preliminary Class Notional Amount for each Payment Date will be computed prior to the allocation of the Modification Loss Amount and the Modification Gain Amount pursuant to the Modification Loss Priority and Modification Gain Priority, respectively, for such Payment Date.

“**Preliminary Principal Loss Amount**” means an amount equal to the Principal Loss Amount computed without giving effect to *clause (d)* of the definition of “Principal Loss Amount.” The Preliminary Principal Loss Amount for each Payment Date will be computed prior to the allocation of the Modification Loss Amount and the Modification Gain Amount pursuant to the Modification Loss Priority and Modification Gain Priority, respectively, for such Payment Date.

“**Preliminary Tranche Write-down Amount**” means an amount equal to the Tranche Write-down Amount computed using the Preliminary Principal Loss Amount instead of the Principal Loss Amount. The Preliminary Tranche Write-down Amount for each Payment Date will be computed prior to the allocation of the Modification Loss Amount and the Modification Gain Amount pursuant to the Modification Loss Priority and Modification Gain Priority, respectively, for such Payment Date.

“**Preliminary Tranche Write-up Amount**” means an amount equal to the Tranche Write-up Amount computed using the Preliminary Principal Loss Amount instead of the Principal Loss Amount. The Preliminary Tranche Write-up Amount for each Payment Date will be computed prior to the allocation of the Modification Loss Amount and the Modification Gain Amount pursuant to the Modification Loss Priority and Modification Gain Priority, respectively, for such Payment Date.

“**Principal Loss Amount**” with respect to each Payment Date, means the sum of:

- (a) the aggregate amount of Credit Event Net Losses for all Credit Event Reference Obligations for the related Reporting Period;
- (b) the aggregate amount of court-approved principal reductions (“cramdowns”) on all Reference Obligations in the related Reporting Period;
- (c) subsequent losses in the related Reporting Period on any Reference Obligation that became a Credit Event Reference Obligation on a prior Payment Date;
- (d) amounts included in the *second, fourth, sixth or eighth* priorities set forth in “*Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Modification Loss Amount*”; and
- (e) the aggregate amount of Credit Event Net Gains for all Reversed Credit Event Reference Obligations for the related Reporting Period.

“**Principal Recovery Amount**” with respect to each Payment Date, means the sum of:

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(a) the aggregate amount of Credit Event Net Losses for all Reversed Credit Event Reference Obligations for the related Reporting Period;

(b) subsequent recoveries in the related Reporting Period on any Reference Obligation that became a Credit Event Reference Obligation on a prior Payment Date;

(c) the aggregate amount of the Credit Event Net Gains of all Credit Event Reference Obligations for the related Reporting Period; and

(d) solely with respect to the Payment Date that is the Termination Date, the Projected Recovery Amount.

“Proceeding” means any suit in equity, action at law or other judicial or administrative proceeding.

“Projected Recovery Amount” means the fair value of the estimated amount of future subsequent recoveries on the Credit Event Reference Obligations as determined solely by the Sponsor on the Termination Date (other than to the extent any such amount has been included in the calculation of any Modification Loss Amount). The Projected Recovery Amount will be included in the Principal Recovery Amount on the Termination Date.

“Record Date” with respect to each Payment Date, means:

(1) with respect to Book-Entry Notes, the close of business on the Business Day immediately preceding such Payment Date; and

(2) with respect to Definitive Notes, the close of business on the last Business Day of the calendar month preceding such Payment Date.

“Recovery Principal” with respect to any Payment Date, means the sum of:

(a) the excess, if any, of the Credit Event Amount for such Payment Date, over the Tranche Write-down Amount for such Payment Date; and

(b) the Tranche Write-up Amount for such Payment Date.

“Reference Obligation” means the portion specified by the applicable Reference Obligation Percentage of each certain multifamily mortgage loan, deed of trust or similar security instrument encumbering the related mortgaged property that meets the Eligibility Criteria, as described under “Scaled Cut-Off Balance” in Appendix A to the Preliminary PPM and Final PPM, and collectively, the “Reference Obligations”.

“Reference Obligation Percentage” means the reference obligation percentage of each loan as described in Appendix A to the Preliminary PPM and Final PPM.

“Reference Pool” means the pool of Reference Obligations as more fully described in Appendix A to the Preliminary PPM and Final PPM.

“Reference Pool Balance” means the aggregate unpaid principal balance of the Reference Obligations in the Reference Pool as of the Cut-off Date.

“Reference Pool Removal” means the removal of a Reference Obligation from the Reference Pool after the issuance of the Notes because:

(i) the Reference Obligation becomes a Credit Event Reference Obligation;

(ii) the Reference Obligation is paid in full;

(iii) the lender who sold the Reference Obligation to Freddie Mac repurchases the Reference Obligation from Freddie Mac; or

(iv) Freddie Mac determines that the information in Appendix A to the Preliminary PPM and Final PPM, with respect to any Reference Obligation, is untrue, incomplete or inaccurate in any material respect.

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In the case of any Reference Obligation required to be removed pursuant to subitem (i) through (iv) above, such removal will be effective as of the Payment Date related to the Reporting Period during which (i) through (iv) above occurred with respect to such Reference Obligation, after giving effect to the payment of all Return Amounts required to be paid on such Payment Date.

“Reference Time” with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, the SOFR Determination Time, and (2) if the Benchmark is not SOFR, the time determined by Freddie Mac after giving effect to the Benchmark Replacement Conforming Changes.

“Reference Tranche” means each Class of reference tranche deemed to be backed by the Reference Pool and comprising part of the hypothetical structure as described in *“Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches”*.

“Regulation S” means Regulation S under the Securities Act.

“Regulations” means the U.S. Treasury regulations.

“Relevant Governmental Body” means the Federal Reserve Board and/or the FRBNY, or a committee officially endorsed or convened by the Federal Reserve Board and/or the FRBNY or any successor thereto.

“REO” means real estate owned property.

“Reporting Period” means:

- (a) with respect to each Payment Date and for purposes of making calculations with respect to the hypothetical structure and Reference Tranches, the calendar month preceding such Payment Date; and
- (b) such other period as Freddie Mac may specify from time to time to conform to any updates to Freddie Mac’s operational processes or timelines for mortgage loans serviced in accordance with the Guide, provided that notice of such revision is included in a Payment Date Statement made available to the Noteholders at least two calendar months prior to the first Payment Date affected by such revision.

“Return Amount” with respect to any Payment Date, means the aggregate Tranche Write-down Amounts, if any, allocated to reduce the Class Principal Balance of each applicable outstanding Class of Notes on such Payment Date.

“Return Reimbursement Amount” with respect to any Payment Date, means the aggregate Tranche Write-up Amounts, if any, allocated to increase the Class Principal Balance of each applicable outstanding Class of Notes on such Payment Date.

“Reversed Credit Event Reference Obligation” with respect to each Payment Date, means a Reference Obligation formerly in the Reference Pool that became a Credit Event Reference Obligation in a prior Reporting Period that is found in the related Reporting Period to have a data correction that invalidates the previously determined Credit Event.

“Risk Retention Letter” means the letter agreement, dated the Closing Date, from Freddie Mac for the benefit of each Institutional Investor.

“Rule 17g-5” means Rule 17g-5 of the Exchange Act.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business.

“Scheduled Maturity Date” means the Payment Date in November 2042.

“Scheduled Termination Date” means the Payment Date in November 2042.

“SEC” means the U.S. Securities and Exchange Commission.

“Secured Collateral” means, individually and collectively, all of the Trust’s right, title and interest in, to and under, whether now owned or existing, or hereafter acquired or arising, (a) the Distribution Account, (b) the Custodian Account, (c) all Eligible Investments (including, without limitation, any interest of the Trust in the Custodian Account and any amounts from time to time on deposit therein) purchased with funds on deposit in the Custodian Account and all income from the investment of funds therein, (d) the Account Control Agreement, (e) the Investment Management

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Agreement, (f) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights, consisting of, arising from, or relating to, any of the foregoing, and (g) all proceeds, accessions, profits, income, benefits, substitutions and replacements, whether voluntary or involuntary, of and to any of the property of the Trust described in the preceding clauses.

“**Secured Party**” means each of Freddie Mac and the Indenture Trustee on behalf of the Holders.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Senior Percentage**” with respect to any Payment Date, means the percentage equivalent of a fraction, the numerator of which is the Class Notional Amount of the Class A-H Reference Tranche immediately prior to such Payment Date and the denominator of which is the aggregate UPB of the Reference Obligations in the Reference Pool at the end of the previous Reporting Period.

“**Senior Reduction Amount**” with respect to any Payment Date, means:

- (A) if either of the Minimum Credit Enhancement Test or the Delinquency Test is not satisfied, the sum of:
 - (i) 100% of Stated Principal for such Payment Date; and
 - (ii) 100% of Recovery Principal for such Payment Date; or
- (B) if the Minimum Credit Enhancement Test and the Delinquency Test are satisfied, the sum of:
 - (i) the Senior Percentage of Stated Principal for such Payment Date; and
 - (ii) 100% of Recovery Principal for such Payment Date.

“**Similar Law**” means any foreign, United States federal, state or local law which is similar to ERISA or Section 4975 of the Code.

“**SMMEA**” means the Secondary Mortgage Market Enhancement Act of 1984, as amended.

“**SOFR**” means, with respect to any day, the secured overnight financing rate published for such day by the FRBNY (or a successor administrator), as the administrator of the benchmark, on the FRBNY’s Website (or such successor administrator’s website).

“**SOFR Adjustment Conforming Changes**” means, with respect to any SOFR Rate, any technical, administrative or operational changes (including changes to the Accrual Period, timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that Freddie Mac decides, from time to time, may be appropriate to adjust such SOFR Rate in a manner substantially consistent with or conforming to market practice (or, if Freddie Mac decides that adoption of any portion of such market practice is not administratively feasible or if Freddie Mac determines that no market practice exists, in such other manner as Freddie Mac determines is reasonably necessary).

“**SOFR Adjustment Date**” means with respect to the Notes and any Accrual Period (other than the first Accrual Period), the second U.S. Government Securities Business Day before such Accrual Period.

“**SOFR Determination Time**” means 3:00 p.m. (New York time) on a U.S. Government Securities Business Day, at which time Compounded SOFR or Term SOFR, as applicable, is published on the FRBNY’s Website.

“**SOFR Rate**” with respect to the Class Coupon of a Note or a Reference Tranche with a Class Coupon based on SOFR means:

- (1) initially a rate equal to Compounded SOFR for the Corresponding Tenor of 30 days; and
- (2) subsequently, a rate equal to Term SOFR for the Corresponding Tenor of such Note or Reference Tranche, commencing at a date determined by Freddie Mac, in its sole discretion, to be

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operationally, administratively and technically feasible, provided that such change will not adversely affect the tax status of such Note, and that Freddie Mac will have the right, in its sole discretion, to make applicable SOFR Adjustment Conforming Changes; provided, that if Compounded SOFR is still available, but Term SOFR ceases to be available, then the rate in clause (1) above will apply;

provided, however, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Administrator will determine an alternative Benchmark in accordance with the Benchmark Replacement provisions described under “*Description of the Notes — Benchmark Replacement Provisions*”, and references to SOFR Rate herein will be deemed to reference such Benchmark Replacement.

“**Sponsor**” means Freddie Mac.

“**Stated Principal**” with respect to any Payment Date, means the sum of:

(a) all monthly scheduled payments of principal due (whether with respect to the related Reporting Period or any prior Reporting Period) on the Reference Obligations in the Reference Pool and collected during the related Reporting Period, *plus*

(b) all partial principal prepayments on the Reference Obligations collected during the related Reporting Period, *plus*

(c) the aggregate UPB of all Reference Obligations that became Reference Pool Removals during the related Reporting Period, other than Credit Event Reference Obligations or any Reversed Credit Event Reference Obligations, *plus*

(d) negative adjustments in the UPB of all Reference Obligations as the result of loan modifications or data corrections, *minus*

(e) positive adjustments in the aggregate UPB of all Reference Obligations as the result of loan modifications, reinstatements into the Reference Pool of Reference Obligations that were previously removed from the Reference Pool in error, or data corrections.

In the event the amount in clause (e) above exceeds the sum of the amounts in clauses (a) through (d) above, the sum of the amounts in clauses (a) through (e) above for the applicable Payment Date will be deemed to be zero, and the Class Notional Amount for the Class A-H Reference Tranche will be increased by the amount in clause (e) above exceeds the sum of the amounts in clauses (a) through (d) above. In the event that Freddie Mac was ever to employ a policy that permitted or required principal forgiveness as a loss mitigation alternative that would be applicable to the Reference Obligations, any principal that may be forgiven with respect to a Reference Obligation will be treated as a negative adjustment in the UPB of such Reference Obligation pursuant to clause (d) above.

“**Subordinate Percentage**” with respect to any Payment Date, means the percentage equal to 100% *minus* the Senior Percentage for such Payment Date.

“**Subordinate Reduction Amount**” with respect to any Payment Date, means the sum of the Stated Principal and Recovery Principal for such Payment Date, less the Senior Reduction Amount.

“**Supplemental Senior Increase Amount**” with respect to each Payment Date, means an amount equal to the Supplemental Subordinate Reduction Amount for such Payment Date.

“**Supplemental Subordinate Reduction Amount**” with respect to each Payment Date, means the UPB of the Reference Obligations at the end of the related Reporting Period multiplied by the excess, if any, of (i) the Offered Reference Tranche Percentage for such Payment Date over (ii) 6.75%.

“**Termination Date**” means the earlier to occur of:

(i) the Scheduled Termination Date; and

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(ii) the Early Termination Date.

“**Term SOFR**” means the applicable forward-looking term rate for the Corresponding Tenor of 30 days or one-month based on SOFR that has been selected or recommended by the Relevant Governmental Body, and will not include any spread adjustment at the time of transition from Compounded SOFR to the forward-looking term rate.

“**Tranche Write-down Amount**” with respect to each Payment Date, means the excess, if any, of the Principal Loss Amount for such Payment Date over the Principal Recovery Amount for such Payment Date.

“**Tranche Write-up Amount**” with respect to each Payment Date, means the excess, if any, of the Principal Recovery Amount for such Payment Date over the Principal Loss Amount for such Payment Date.

“**Transaction Party**” means each of the Sponsor, the Administrator, the Trust, the Owner Trustee, each Initial Purchaser, the Indenture Trustee, the Account Bank, the Custodian, the Investment Manager and the successors, assigns and Affiliates of any of them.

“**Transfer Amount**” with respect to each Payment Date, means an amount equal to the excess, if any, of the aggregate Interest Payment Amount for such Payment Date over the Index Component for such Payment Date.

“**Treasury**” means the United States Department of the Treasury.

“**Trust**” means Freddie Mac MSCR Trust MN5, a Delaware statutory trust.

“**Trust Agreement**” means the trust agreement dated as of October 5, 2022, as amended and restated by that certain Amended and Restated Trust Agreement dated as of the Closing Date, each between the Sponsor and the Owner Trustee, as the same may be amended, supplemented or modified from time to time.

“**Trust Assets**” means all right, title and interest of the Trust in, to and under, whether now owned or existing, or hereafter acquired or arising, (a) the Basic Documents, (b) the Distribution Account and any amounts from time to time on deposit therein, (c) the Custodian Account and any amounts from time to time on deposit therein, (d) all Eligible Investments and all income realized from the investment thereof, (e) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights, consisting of, arising from, or relating to, any of the foregoing, and (f) all proceeds, accessions, profits, income, benefits, substitutions and replacements, whether voluntary or involuntary, of and to any of the property of the Trust.

“**UCC**” means the Uniform Commercial Code as in effect in the State of New York from time to time.

“**UK**” means the United Kingdom.

“**UK Institutional Investor**” means an institutional investor as defined in the UK Securitization Regulation.

“**UK Securitization Regulation**” means Regulation (EU) 2017/2402 relating to a European framework for simple, transparent and standardised securitization in the form in effect on December 31, 2020, which forms part of UK domestic law by virtue of the EUWA, as amended by the Securitization (Amendment) (EU Exit) Regulations 2019 of the United Kingdom and as further amended, varied or substituted from time to time as a matter of UK law, including (i) any technical standards thereunder as may be effective from time to time and (ii) any guidance relating thereto as may from time to time be published by the UK Financial Conduct Authority and/or the UK Prudential Regulation Authority (or, in each case, any successor thereto).

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“**United States**” and “**U.S.**” means the United States of America, including the states thereof and the District of Columbia.

“**UPB**” with respect to any Reference Obligation or mortgage loan, means the unpaid principal balance of such Reference Obligation or mortgage loan.

“**U.S. Bank N.A.**” means U.S. Bank National Association.



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“**U.S. Bank Trust Co.**” means U.S. Bank Trust Company, National Association.

“**U.S. Beneficial Owner**” means a U.S. Person that beneficially owns a Note.

“**U.S. Government Securities Business Day**” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

“**U.S. Person**” means:

- a. an individual who, for U.S. federal income tax purposes, is a citizen or resident of the United States;
- b. a corporation or partnership (or other business entity treated as a corporation or partnership for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- c. an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- d. a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Certain trusts in existence on or before August 20, 1996 that were treated as U.S. persons under the law in effect on such date but fail to qualify as U.S. persons under current law may elect to continue to be treated as U.S. persons to the extent prescribed in the applicable Regulations.

“**Volcker Rule**” means Section 619 (12 U.S.C. § 1851) of the Dodd-Frank Act.

“**Wells Fargo Securities**” means Wells Fargo Securities, LLC.

“**Write-up Excess**” with respect to any Payment Date, means the amount by which the Tranche Write-up Amount on such Payment Date exceeds the Tranche Write-up Amount allocated on such Payment Date pursuant to clauses “*first*” through “*fifth*” under “*Description of the Notes — Hypothetical Structure and Calculations with respect to the Reference Tranches — Allocation of Tranche Write-up Amounts*”.

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Appendix A

Description of the Reference Pool Collateral¹

¹ Any Cut-off Date LTV Ratio calculations presented in Appendix A to the Preliminary Term Sheet are based on the as-is appraised value of such mortgaged property, as set forth in Appendix A to the Preliminary PPM.

For each Reference Obligation that has a Reference Obligation Percentage below 100% and has a Scaled Cut-Off Balance below the Cut-Off Date Loan Amount, such Reference Obligation represents a *pari passu* portion of the Cut-Off Date Loan Amount. The Cut-off Date Balance/Unit, Cut-off Date LTV's, Maturity Date LTV's and Underwritten NCF DSCR calculations presented are based on the Cut-Off Date Loan Amount in the aggregate.

Each group of crossed reference obligations (each, a “**Crossed Loan Group**”) are made up of either (1) mortgage loans that are cross-collateralized and cross-defaulted with each mortgage loan in such group or (2) mortgage loans and a related supplemental loan (e.g. a taxable tail).

With respect to each Crossed Loan Group with two crossed-collateralized and cross-defaulted mortgage loans, the Cut-Off Date LTVs, Maturity LTVs, UW NCF DSCR and UW NCF DSCR (IO) calculations presented for each reference obligation in such Crossed Loan Group reflects, in each case, a weighted average on the Cut-Off Date Loan Amount for such mortgage loans relative to the aggregate Cut-Off Date Loan Amount for such Crossed Loan Group. The Cut-off Date Balance/Unit for the Reference Obligations in such Crossed Loan Group is based on the aggregate Cut-off Date Balance for all of the Reference Obligations in the related Crossed Loan Group (and if any, the portions of the related mortgage loans that are not included in the Reference Pool) and the aggregate Total Units of all of the mortgaged real properties securing the related mortgage loans in such Crossed Loan Group.

With respect to each Crossed Loan Group with one or more mortgage loans and a related supplemental loan, the Cut-Off Date LTVs, Maturity LTVs, UW NCF DSCR and UW NCF DSCR (IO) calculations presented for such supplemental loan in such Crossed Loan Group include all of the related mortgage loan and the related supplemental loan in such Crossed Loan Group. The Cut-off Date Balance/Unit for the Reference Obligations in such Crossed Loan Group is based on the aggregate Cut-off Date Balance for all of the Reference Obligations in the related Crossed Loan Group (and if any, the portions of the related mortgage loans that are not included in the Reference Pool) and the Total Units of the related mortgaged property securing the related mortgage loan and the related supplemental loan in such Crossed Loan Group.

See also “*The Reference Obligations—Additional Information Regarding the Reference Obligations*” in the Preliminary PPM.