

**Objective: Enable Freddie Mac to purchase loans if Optigo® lenders cannot physically deliver loan documents to Freddie Mac due to a “Delivery Stoppage” resulting from**

- (1) a widespread disruption in the overnight package delivery system,
- (2) a corporate decision by Freddie Mac to stop accepting package deliveries, or
- (3) corporate decisions by warehouse lenders or Sellers that would limit their ability to deliver original loan documents to Freddie Mac.

**Solution: Enable Optigo lenders, their closing counsel or their warehouse lenders, as applicable, to hold the original Note and other loan documents as bailee/custodian for Freddie Mac in order to meet Mandatory Delivery Dates during a Delivery Stoppage period.**

Freddie Mac will fund loans upon Freddie Mac’s review and approval of the electronic loan documents in DMS and our receipt in DMS of a Freddie Mac bailee/custodial acknowledgement signed by the party holding the original loan documents.

For Optigo Lenders (and closing counsel):

- Each loan Commitment/ERLA will include Delivery Stoppage provisions and a Bailee Acknowledgement form. These provisions would apply as follows:
  - The loan has closed and has been funded by the Optigo lender directly or by a warehouse lender.
  - Closing counsel has sent the Note to the warehouse lender or is holding the Note and the other loan documents as custodian for the warehouse lender or the Optigo lender.
  - Freddie Mac determines there is a Delivery Stoppage or the Optigo lender or warehouse lender advises us of a Delivery Stoppage on their part. Lenders and counsel can electronically deliver pdfs of the loan documents and Freddie Mac can receive pdfs of the documents, but not the original documents.
  - Once Freddie Mac delivers a “Contingency Plan Notification” by e-mail to the Optigo lender, the Delivery Stoppage procedures are triggered.
  - The party holding the Note or other loan documents is the “Bailee”. In the Bailee Acknowledgement form, the Bailee agrees it is holding the loan documents in trust as custodian and bailee for the benefit of Freddie Mac. The Bailee agrees that it will maintain continuous custody and control of the loan documents and will hold the documents in a safe and secure manner, i.e. in a locked, fireproof vault, safe or equivalent.
  - When the final delivery package is uploaded to DMS, if it includes a copy of the signed Bailee Acknowledgement, MF Purchase will approve funding of the loan after review and approval of the electronic DMS loan file.
  - Under the Bailee Acknowledgement, the Bailee will automatically become obligated to promptly deliver the original loan documents to Freddie Mac in the time period required by Freddie Mac.
  - An Omnibus Amendment form will be sent to each Optigo lender to address all Commitments and ERLAs that have already been issued or countersigned. Each Lender will sign just one Amendment that will cover all the commitments/ERLAs issued to them before the Delivery Stoppage provisions are included in the Commitments/ERLAs.
- For Warehouse Lenders:
  - For warehouse lenders who are holding our Notes, we have included the above bailee/custodial arrangement in a modified version of the form they already sign and send us when they release their security interests (996M). We will also work with them as needed on alternative bailee forms.