



Index Lock

Offering:

Our Index Lock option allows borrowers to lock the Treasury index (subject to the quoted Treasury Floor) at any time after the loan is under application with the Optigo® lender—providing an enhanced level of risk mitigation against interest rate volatility. The spread will also not be subject to market grid movements during the index lock period. If one or more of the assumptions in the quote sheet changes—such as changes in the terms of the loan, the type of property, borrower, or certain loan document modifications—the quote will be adjusted based on the pricing grid in effect as of the date of the quote.

Benefits:

Allows borrowers to mitigate market risk, reduce loan coupon volatility and avoid potential proceed cuts by locking the Treasury index anytime (at quote or during underwriting) with less documentation and faster execution than our traditional lock processes.

Eligibility:

Index Lock is available to existing borrowers that have had a loan purchased for securitization by Freddie Mac within the last 24 months. Freddie Mac evaluates index lock eligibility for each loan on a case-by-case basis, with consideration for the loan's credit quality

Parameters of the Index Lock include:

- Loan amount up to \$150 million
- Single asset (non-transferable); pools are eligible with approval
- Capital Markets Executions – acquisitions or refinances
- Index lock periods:
 - The lock period for most conventional loans is 60 days after the expiration of the quote
 - The lock period for Seniors Housing (SH) and Manufactured Housing Community (MHC) loans is 75 days after quote expiration
 - The lock period for Targeted Affordable Housing is 90 days after quote expiration
- Borrower must elect standard delivery or early rate-lock at time of Index Lock.
- Standard application fee (10 bps); 2% good faith deposit (Seller/Service retained)
- 10% proceeds reduction without triggering breakage; final proceeds greater than 110% of the index-locked UPB will be locked at the blended rate using the Treasury index at final spread lock
- Not a commitment or credit approval

	Index Lock	Early Rate-Lock (ERL)	Standard Delivery
What is Being Locked?	Treasury yield only; Freddie Mac spread is quoted at Index Lock, which will not be subject to market grid movements, but will adjust based on changes in loan terms, property, borrower or certain loan document modifications or other transaction specific items not fully reflected in the quote based on the pricing grid in effect as of the quote date; Freddie Mac spread and servicing spread are determined at full rate-lock	Interest rate for a fixed-rate loan or the gross spread for a floating-rate loan	Interest rate for a fixed-rate loan or the gross spread for a floating-rate loan
Eligible Borrowers	Borrowers in good standing that have closed a securitized loan within 24 months	Standard underwriting requirements	Standard underwriting requirements
Eligible Loans	<ul style="list-style-type: none"> • Capital Markets Executions • Acquisition or refinance loans • Fixed-rate loans 	<ul style="list-style-type: none"> • Loans to be securitized or held in portfolio • Acquisition or refinance loans • Fixed- or floating-rate loans 	<ul style="list-style-type: none"> • Loans to be securitized or held in portfolio • Acquisition or refinance loans • Fixed- or floating-rate loans
Maximum Loan Amount	\$150,000,000	No maximum	No maximum
Which Loan Terms Are Determined Prior to Lock?	Term of the loan and loan amount (loan amount is subject to change)	Most material loan terms (loan amount is subject to change)	All loan terms
Est. Time for Credit Approval	N/A	2 to 5 business days	2 to 3 weeks
Good Faith Deposit (GFD)	2%	2% (retained by Seller)	Not required
Duration of Lock	60 days after quote expiration date for most conventional loans 75 days after quote expiration for Seniors Housing and MHC loans 90 days after quote expiration for TAH loans	Varying durations, typically ranging from 60 days to 120 days until Freddie Mac purchase	Typically 45 days until Freddie Mac purchase
Exposure to Sponsor upon Breach/Breakage	<i>Fixed-rate:</i> Standard breakage formula, subject to a 0.5% minimum and 3.0% maximum of the rate-locked mortgage amount	<i>Fixed-rate:</i> Standard breakage formula, subject to a 0.5% minimum and 2.0% maximum of the rate-locked mortgage amount <i>Floating-rate:</i> 1.0%	<i>Fixed-rate:</i> Standard breakage formula, subject to a 0.5% minimum and 3.0% maximum of the rate-locked mortgage amount <i>Floating-rate:</i> 1.0%