

Frequently Asked Questions

When-Issued K-Deal[®] (WI Trust) certificates

August 2022



This FAQ is intended to describe the WI K-Deal® program in general, not a specific transaction. All statements are preliminary and are subject to change. Before investing in a particular security, each investor must carefully read all of the applicable offering documents and should only make an investment decision after reading the applicable offering documents.

1. Are WI Trust certificates REPO eligible?

Yes, these bonds are REPO eligible, similar to our other K-Deal securities.

2. Where will cashflows for WI Trust certificates be available?

These bonds will have Intex, Trepp, and Bloomberg cashflows available, similar to our other K-Deal securities.

3. What will be the term of the WI Trust certificates?

The term of the WI Trust certificates is expected to be less than or equal to 10.25 years for 10-year fixed-rate K-Deals and 7.25 years for 7-year fixed-rate K-Deals.

4. Will WI Trust certificates settle in the same month as they are priced?

WI Trust certificates are a funded investment which will settle promptly after the offering period, usually in the same month, or within the few days of the following month.

5. Are the WI Trust certificates tradeable?

Yes, the WI Trust certificates will have their own CUSIPs and become tradable shortly after pricing.

6. Can I see which loans will be in the final K-Deal pool when purchasing the WI Trust certificates at issuance?

No, you will not be able to see the corresponding K-Deal pool as there is no collateral information available at the time of WI issuance. However, the final K-Deal pool will conform to specified pool parameters as outlined in the WI offering documents.

7. Who is the Trustee of the WI Trust?

Freddie Mac will be the Trustee of each WI Trust.

8. What is the payment date for the WI Trust certificates?

The payment date for the WI Trust certificates will be the same as the K-Deal payment date (the 25th day of each month, or the next business day if the 25th is not a business day).

9. Will investors earn the same guaranteed payments that they would on K-Deal certificates?

Yes, investors will earn the same guaranteed coupon amount as the class coupon of the underlying K-Deal certificates.

10. Can investors exchange the WI Trust certificates for K-Deal certificates?

Yes, investors will be able to exchange the WI Trust certificates for K-Deal certificates after the underlying K-Deal settles.

11. Can investors retain the WI Trust certificates without exchanging them for K-Deal certificates?

Yes, investors will be able to retain the WI Trust certificates through the final payment date of the underlying K-Deal certificates.

12. Will the CUSIP change if an investor decides to convert their WI Trust certificates into K-Deal certificates?

Yes, the WI Trust certificates and the underlying K-Deal certificates will have different CUSIPs. If an investor chooses to convert their WI Trust certificates into K-Deal certificates, a new CUSIP will be assigned.

13. What is the exchange process for WI Trust and K-Deal certificates?

Please refer to the WI offering documents for exchange request notice procedures and other exchange requirements. Fees may be charged to investors for exchanging WI Trust certificates for the underlying K-Deal certificates.

14. When exchanging WI K-Deal trust certificates for K-Deal certificates, can investors exchange partial amounts of their total order?

Yes, partial exchanges are permitted. The exchange ratio is 1:1 (example: \$1,000 of WI Trust certificates are exchangeable for \$1,000 of underlying K-Deal certificates).

15. Are investors allowed to exchange their K-Deal certificates back to WI Trust certificates?

No. The exchange is one-way, so investors may not exchange K-Deal certificates back for WI Trust certificates.

16. Will investors be able to request Community Reinvestment Act (CRA) side letters?

Yes, investors will be able to request CRA side letters for jurisdictions identified in the preliminary When-Issued CRA blast and finalize their loan requests once the underlying K-Deal CRA blast becomes available via Bloomberg. The preliminary When-Issued CRA blast only reflects the geographic/affordability information of potential mortgages that are being considered for inclusion in the underlying K-Deal transaction and are subject to change. Side letters will be issued once the underlying K-Deal settles and are allocated at the sole discretion of Freddie Mac.