

## ➤ Product Overview: ***Payment Calculations for Mortgage-Backed Securities***

The formulas listed below will help calculate the interest payments and principal payments for Freddie Mac's mortgage-backed securities products. Examples of how a June payment is calculated for PCs, REMIC tranches and Ginnie Mae-backed REMICS are found on the reverse side. The "Payment Date" is the 15<sup>th</sup> day of each month or, if the 15<sup>th</sup> day is not a business day, the next business day.

### June Payment Example

#### 45-day Gold PCs, REMICs & Strips, Ginnie Mae-backed REMICs and Strips

$$\text{Interest Payment} = (\text{PAR})(\text{May Factor})(\text{Rate}/12)$$

$$\text{Principal Payment} = (\text{May Factor} - \text{June Factor})(\text{PAR})$$

#### 75-day Fixed, ARM PC Pools and REMIC Tranches

$$\text{Interest Payment} = (\text{PAR})(\text{April Factor})(\text{Rate}/12)$$

$$\text{Principal Payment} = (\text{April Factor} - \text{May Factor})(\text{PAR})$$

#### Definitions

**PAR** = Original Security Balance at Issuance




**Rate** = Coupon Interest Rate

**Factor** = Eight digit decimal which represents the percentage of the original balance of the pool or tranche that is outstanding as of a given date

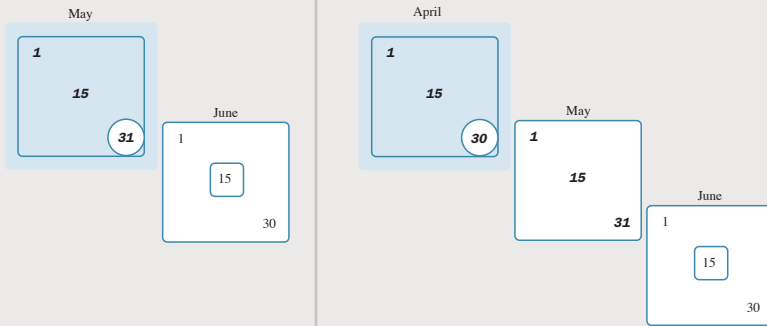
# June Payment

**45-day**

**75-day**

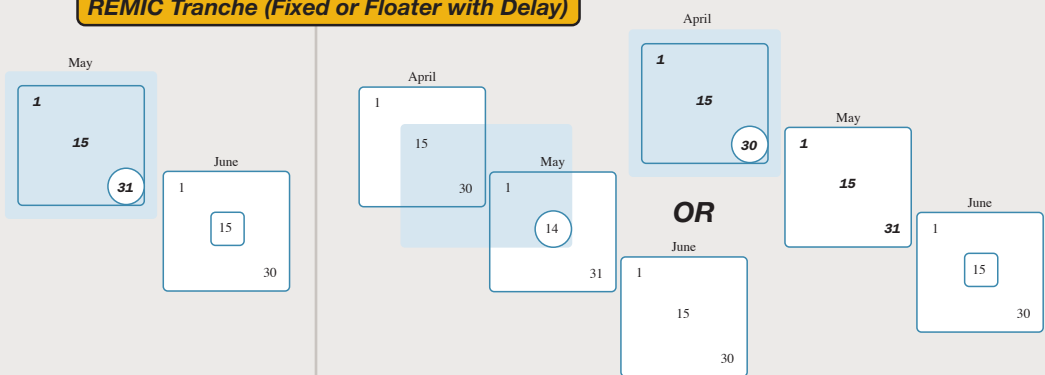
-  Record Date
-  Payment Date
-  Accrual Period

## Participation Certificate (PC)



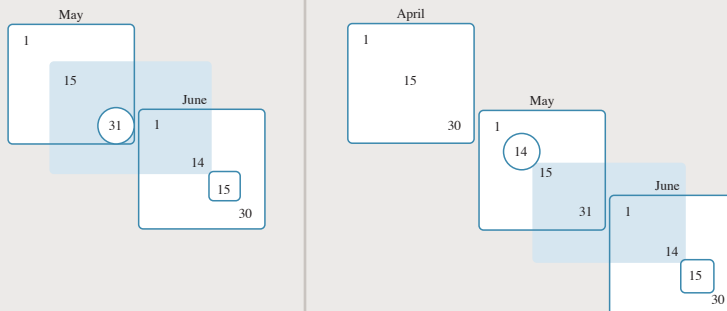
Based on:  
30 day month  
and 360 day year  
Consult your  
Offering Circular  
Supplement to  
determine the  
accrual period that  
corresponds with  
your REMIC.

## REMIC Tranche (Fixed or Floater with Delay)



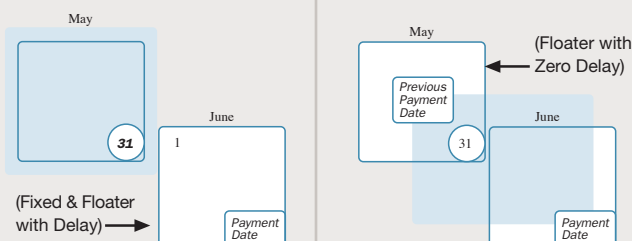
Hint:  
Factor  
disclosed in  
first month is  
applicable to  
accrual period  
shown

## REMIC Tranche (Floater with Zero Delay)



Ginnie Mae-  
backed REMICS  
have a number of  
different payment  
dates. Consult  
your Offering  
Circular  
Supplement to  
determine the  
date that  
corresponds with  
your REMIC.

## Ginnie Mae Backed REMICS



**For additional information about Freddie Mac payment calculations and mortgage-backed securities, visit Freddie Mac's Web site at [www.FreddieMac.com/mbs](http://www.FreddieMac.com/mbs) or contact Investor Inquiry at (800) 336-3672.**

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