

# ➤ Advanced Mortgage Portfolio Management



## **Single Family**

Mortgage Portfolio  
Sale Options



We make home possible®

➤ As the market shifts, **we're helping you realize possibilities where you need it most: your mortgage portfolio.** Our team of experts will work with you to develop a solid strategy that addresses immediate needs and long-term planning. By taking advantage of our portfolio services, you'll **make your mortgage holdings work more effectively, while enhancing your portfolio strategy in a changing market.**

**More options for the loans you originate.** As you look to the secondary market for profitable sale options for your holdings, we'll work with you to offer consistent, competitive bids for loans that you originate — not just traditional fixed-rate mortgages.

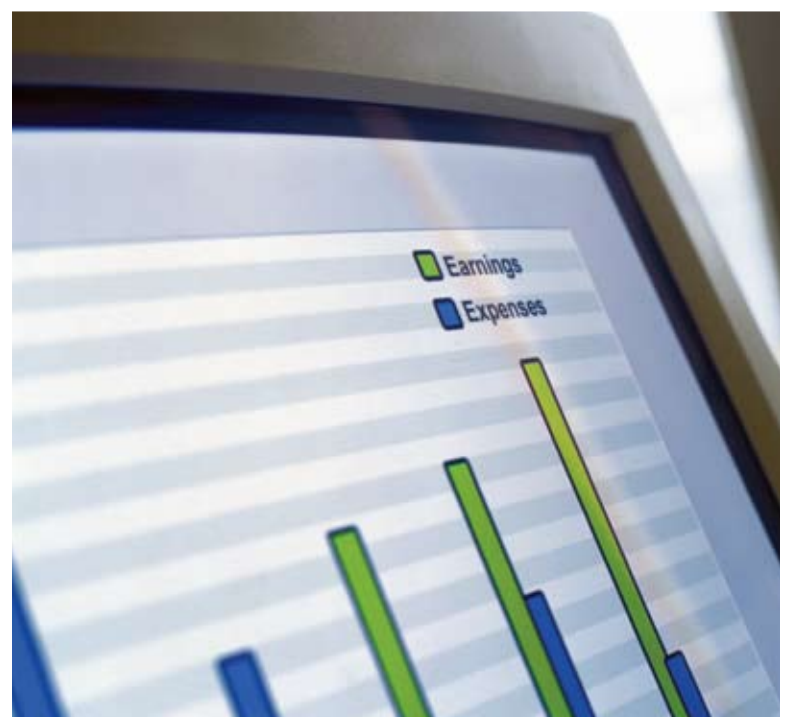
**Expanding opportunity when and where you need it.** You'll strengthen your position by managing your portfolio to geographic risks and variations in local economies — so you'll always be there to meet the needs of more families in the communities you serve.

No matter the size of your institution, we'll help you assess how selling mortgage portfolios into the secondary market will help you manage these and other challenges:

- **Reduce credit risk.** Many lenders have built up considerable risk concentrations due to a lack of geographic or origination-year diversification. You can transfer that risk to Freddie Mac, continue to service your borrowers' loans, and take back a highly liquid, AAA-rated Freddie Mac mortgage-backed security.
- **Fine-tune your balance sheet.** Selling seasoned loans to Freddie Mac can help you address the challenges of rising interest rates. Sell discounted fixed-rate loans and then reinvest at current market yields. Or sell above market rate loans to book a gain-on-sale. And while ARMs have less price volatility than fixed-rate mortgages, they still have plenty of interest rate risk from prepayments, especially as the ARM approaches its interest rate adjustment date.
- **Lower capital management risk.** Converting your seasoned loans to a Freddie Mac security can reduce your Tier II risk-based capital requirement from 4 percent to 1.6 percent. You can use the extra capital to support investments in additional earning assets, for acquisitions, expansion of your branch network, share repurchases — and almost any asset or activity that can generate more revenue, income, and growth.

As you assess the best ways to manage these challenges, our mortgage portfolio experts are here to assist you.

# A solid mortgage portfolio strategy



➤ Whether you're a lender with a national or regional presence, or a community bank, credit union or depository institution, we'll help you position your mortgage holdings to **reduce your risk exposure and enhance your profitability.** Even if you've never done business with Freddie Mac or sold into the secondary market, **we'll work with you** to meet your individual business needs. In most cases, **it's as easy as starting with your loan data.** We'll analyze your mortgage holdings and show you a variety of options to:

- Adjust your loan-to-deposit ratios and manage your risk-based capital requirements by taking advantage of a securities sale option. Holding Freddie Mac securities requires less capital than holding whole loans. Or, consider a swap and sell to strengthen your liquidity.
- Manage your balance sheet and restructure your holdings based on changing market conditions.
- Increase your income by selling discounted, low coupon loans and reinvesting at higher current yields. Take advantage of options for selling par plus or premium loans for a gain-on-sale.
- Determine more competitive options for the loans you're holding. Under our negotiated bulk sales transactions, we purchase a wide range of mortgage types and we'll provide you with a competitive bid for everything from fixed-rate mortgages and ARMs, to balloon/reset mortgages and 2- to 4-unit mortgages.



**We have**

solutions  
for you

➤ **Our team of portfolio experts is always available.** Whether you're actively considering a portfolio sale, or simply want an assessment of your mortgage assets, our experts will tap into a combination of **securitization and capital markets expertise**, and **cash transactions experience** when working with you to develop a customized solution to meet your business objectives.

If you're **looking for a market assessment**, or just want to know **your best options** for managing your mortgage portfolio, our team of experts can help with:

- Portfolio analysis of the loans in your portfolio and help you strengthen the value of individual portfolio segments.
- Sale options using a securitization or cash execution that enhance liquidity, flexibility, and profitability in any market condition.
- Reinvestment alternatives that offer additional solutions that better fit your risk/reward profile.
- Assistance in finding the right due diligence solution — from the scrubbing of loan files to the delivery of mortgages to Freddie Mac.

**A comprehensive**  
approach  
to **your mortgage**  
portfolio  
needs

**Discover the *untapped potential* in your mortgage portfolio now!**

*A mortgage portfolio strategy isn't just a year-end issue. Our portfolio analysis service and sale options help you obtain maximum benefits today and position your mortgage holdings for future growth.*

*Whether you're a secondary market officer, chief financial officer or otherwise responsible for your mortgage holdings, we can provide you with a customized portfolio management and sale solution using either a cash or securities execution. Should you decide to sell, we have resources ready to quickly address your needs and guide you through the entire process.*

**Contact your Freddie Mac representative today** and discover how you can take advantage of a portfolio analysis service and sale options that will help you realize more possibilities for your business.



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