

# Performing Loan Repurchase Alternative Pilot

Scenario examples, timing, and eligibility information

December 2024



# Performing Loan Repurchase Alternative Pilot: Fees, Statistical Significance and Eligibility



**Sellers with statistically significant sampling rates are subject to a fee based on their NAQ rate and the total Unpaid Principal Balance (UPB) of loans sold to Freddie Mac.**

- Fees are calculated once per quarter per Seller. NAQ rates and fees are reassessed each quarter and have no bearing on the subsequent quarter.
- Only the performing loan base sample determines a Seller's NAQ rate, however **ALL** performing loans are eligible for the program benefits (including targeted samples and self reports) excepting those defect categories identified in the Terms of Business (TOB) as exclusions.
- Sellers without statistically significant sample rates are not assessed a fee. Freddie Mac can share significance determinations once the quarter begins.
- Statistically significant sampling determination is an internal Freddie Mac designation based on many factors (e.g., historic volume/NAQ rate).
- While a Seller's history is a good predictor of the future, Sellers can and do change categories. Most Sellers with statistically significant sampling rates sell hundreds of loans to Freddie Mac in a quarter.

**Sellers can weigh expected program benefits against expected program fees. Example quarterly fees at different NAQ rates and UPB amounts are provided below for reference:**

Seller's NAQ Rate During the Applicable Quarter	Fee Rate (bps)	Fee Rate	Fee Examples at Different Fee-Eligible Quarterly UPB Amounts							
			\$10B	\$5B	\$1B	\$750M	\$500M	\$250M	\$100M	\$50M
0.0% ≤ 2.0%	0.00	0.000000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
> 2.0% ≤ 5.0%	0.25	0.000025	\$ 250K	\$ 125K	\$ 25K	\$ 18.75K	\$ 12.5K	\$ 6.25K	\$ 2.5K	\$ 1.25K
> 5.0% ≤ 8.0%	0.75	0.000075	\$ 750K	\$ 375K	\$ 75K	\$ 56.25K	\$ 37.5K	\$ 18.75K	\$ 7.5K	\$ 3.75K
> 8.0% ≤ 10.0%	1.00	0.000100	\$ 1M	\$ 500K	\$ 100K	\$ 75K	\$ 50K	\$ 25K	\$ 10K	\$ 5K
> 10.0%	1.50	0.000150	\$ 1.5M	\$ 750K	\$ 150K	\$ 112.5K	\$ 75K	\$ 37.5K	\$ 15K	\$ 7.5K