



## Freddie Mac Moves ACIS Forward with AFRM

January 3, 2018

MCLEAN, VA--(Marketwired - Jan 3, 2018) - [Freddie Mac](#) (OTCQB: FMCC) today announced an expansion of its Agency Credit Insurance Structure (ACIS<sup>®</sup>) program with ACIS Forward Risk Mitigation (AFRM<sup>®</sup>), an innovative front end credit risk transfer offering. This latest credit risk transfer (CRT) offering allows Freddie Mac to transfer mortgage credit risk simultaneously with the acquisition of loans by securing committed private capital and providing stable pricing over a two-year horizon through the end of 2019.

AFRM shifts a portion of the mortgage credit risk on pools of single-family loans with a combined unpaid principal balance of approximately \$21 billion to a diverse panel of reinsurers, providing insurance coverage with a maximum limit of approximately \$650 million. This covered pool will consist of 30-year fixed-rate loans with loan to value ratios between 60 and 97 percent, with a similar structure as our core ACIS offering. Freddie Mac will continue to offer core ACIS insurance policies on a programmatic basis.

"AFRM is the first CRT product to secure private capital from investors committed to provide coverage on loans funded over the next two years and represents an important milestone in the expansion of the ACIS program," said Gina Subramonian Healy, vice president of credit risk transfer. "We'll continue to explore ways to evolve our front-end CRT offerings to transfer more credit risk away from taxpayers and provide investors new ways to invest in the U.S residential housing market."

Since the ACIS program's inception in 2013, Freddie Mac has placed nearly \$9 billion in insurance coverage while expanding its investor base. Since 2013, the company has transferred a portion of credit risk on approximately \$872 billion of UPB on single-family mortgages. The company has grown its investor base to more than 220 unique investors, including insurers and reinsurers.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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