Freddie Mac Prices First STACR HQA and STACR SPI Deals of 2018

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Credit-risk transferred on over $950 billion in single-family mortgages

MCLEAN, VA -- (Marketwired) -- 03/20/18 -- Freddie Mac (OTCQB: FMCC) today priced two credit risk transfer offerings as part of the Structured Agency Credit Risk (STACR®) series, Freddie Mac's flagship credit risk transfer (CRT) offering. The offerings, STACR HQA1 and STACR SPI1^{SM}, are the first offerings for each series in 2018.

Freddie Mac has led the market in introducing new credit risk-sharing offerings. Since 2013, the company has transferred a portion of credit risk on approximately $951 billion in unpaid principal balance (UPB) on single-family mortgages. It has also grown its investor base to more than 220 unique investors, including insurers and reinsurers. Freddie Mac has a STACR issuance calendar to help investors plan their allocations.

STACR Series 2018-HQA1

STACR Series 2018-HQA1 is a $985 million Structured Agency Credit Risk (STACR®) debt notes offering, the first high loan-to-value (LTV) deal of the year.

Pricing for STACR Series 2018-HQA1:

- M-1 class: one-month LIBOR plus a spread of 70 basis points.
- M-2 class: one month LIBOR plus a spread of 230 basis points.
- B-1 class: one month LIBOR plus a spread of 435 basis points.

STACR 2018-HQA1 has a reference pool of single-family mortgages with an UPB of approximately $40.1 billion, consisting of a subset of fixed-rate, single-family mortgages with an original term of 241 to 360 months acquired by Freddie Mac between April 1, 2017 and Sept. 30, 2017. The reference pool includes loans with LTVs ranging from 80 percent to 97 percent. Freddie Mac holds in its entirety the senior loss risk A-H bond and the first loss B-2H bond in the capital structure. Freddie Mac also retains a portion of the risk in the class M-1, M-2 and B-1 tranches.

Wells Fargo Securities, LLC and Credit Suisse Securities (USA) LLC are co-lead managers and joint bookrunners.

STACR Series 2018-SPI1

The company has also priced a $139.9 million STACR - Securitized Participation Interests (STACR SPI^{SM}) transaction for investors who prefer a securitization backed by mortgage-related assets. Under STACR SPI, a securitization trust will issue unguaranteed certificates backed by participation interests in a specified percentage of mortgage loans; the remaining percentage in each mortgage loan will be evidenced by a participation interest that will be used as collateral for Gold PCs -- thereby leveraging the liquidity and efficiency of that market. The STACR SPI securities are REMIC regular interests.

The STACR 2018-SPI1 securities are backed by participation interests in 25- to 30-year fixed-rate mortgage loans with an aggregate principal balance of approximately $3.5 billion. The $139.9 million in STACR SPI securities priced are distributed across three classes of certificates; Freddie Mac will initially retain a five percent interest in each of the three classes, maintaining alignment of interests with credit investors.

Pricing for STACR Series 2018-SPI1:

- M-1 class: Swaps plus a spread of 100 basis points.
- M-2 class: Swaps plus a spread of 310 basis points.
- B class: $55.

BofA Merrill Lynch and Citigroup Global Markets Inc. are co-lead managers and joint bookrunners.

This announcement is not an offer to sell any Freddie Mac securities. Offers for any given security are made only through applicable offering circulars and related supplements, which incorporate Freddie Mac's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Securities and Exchange Commission (SEC) on February 15, 2018; all other reports Freddie Mac filed with the SEC pursuant to Section 13(a) of the Securities Exchange Act of 1934 (Exchange Act) since December 31, 2017, excluding any information "furnished" to the SEC on Form 8-K; and all documents that Freddie Mac files with the SEC pursuant to Sections 13(a), 13(c) or 14 of the Exchange Act, excluding any information "furnished" to the SEC on Form 8-K.

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The financial and other information contained in the documents that may be accessed on this page speaks only as of the date of those documents. The information could be out of date and no longer accurate. Freddie Mac undertakes no obligation, and disclaims any duty, to update any of the information in those documents.

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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