



Freddie Mac Prices Largest STACR SPI Deal to Date

June 6, 2018

First Transaction to Include Retention of Credit Risk on Loans Subsequently Refinanced Under ERR

MCLEAN, Va., June 06, 2018 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB:FMCC) further reduces mortgage credit risk with its second Structured Agency Credit Risk ([STACR](#)[®]) - Securitized Participation Interests (STACR SPISM) deal of the year.

The \$263.5 million STACR 2018-SPI2 securities are backed by participation interests in 25- to 30-year fixed-rate mortgage loans with an aggregate principal balance of approximately \$6.5 billion, which will include the retention of credit risk on those loans subsequently refinanced under Freddie Mac's Enhanced Relief Refinance Program (ERR). STACR SPI securities are distributed across three classes of certificates; Freddie Mac will retain a five percent interest in each of the three classes, maintaining alignment of interests with credit investors and complying with EU Risk Retention rules. The M-2 and B classes are MACR classes, formed by M-2A/M-2B and B-1/B-2 respectively.

Pricing for STACR Series 2018-SPI2:

- M-1 class: EDSF plus a spread of 100 basis points.
- M-2 class: Swaps plus a spread of 270 basis points.
- B class: \$54.

BofA Merrill Lynch and Wells Fargo Securities, LLC are co-lead managers and joint bookrunners.

STACR SPI transactions are 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 of 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.

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 \$989 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.

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.

Freddie Mac's press releases sometimes contain forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, some of which are beyond the company's control. Management's expectations for the company's future necessarily involve a number of assumptions, judgments and estimates, and various factors could cause actual results to differ materially from the expectations expressed in these and other forward-looking statements. These assumptions, judgments, estimates and factors are discussed in the company's Annual Report on Form 10-K for the year ended December 31, 2017, and its reports on Form 10-Q and Form 8-K, which are available on the Investor Relations page of the company's Web site at www.FreddieMac.com/investors and the SEC's website at www.sec.gov. The company undertakes no obligation to update forward-looking statements it makes to reflect events or circumstances occurring after the date of this press release.

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](https://twitter.com/FreddieMac) and Freddie Mac's blog FreddieMac.com/blog.

MEDIA CONTACT: Christopher Spina
703-388-7031

Christopher_Spina@FreddieMac.com

INVESTOR CONTACT: Mike Reynolds
571-382-4852

 Primary Logo

Source: Freddie Mac