Freddie Mac Hits $1Trillion CRT Milestone with Pricing of Lower LTV STACR

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MCLEAN, Va., June 12, 2018 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB:FMCC) today announced the pricing of $1.05 billion Structured Agency Credit Risk (STACR®) 2018-DNA2 Notes, its second lower LTV deal of the year. This is also the second STACR transaction in which the notes are issued by a trust rather than as Freddie Mac debt. Through STACR, its flagship credit risk transfer offering, Freddie Mac transfers a significant portion of its mortgage credit risk on certain groups of loans to private investors. All told, Freddie Mac has transferred a portion of credit risk on more than $1 trillion in single-family mortgages through its diverse credit-risk transfer (CRT) program.

"We have transferred a significant portion of mortgage credit risk to private investors on more than $1 trillion of single-family mortgages – and we're very proud of reaching this important milestone in our credit risk transfer program," said Mike Reynolds, vice president of credit risk transfer. "Our innovation and leadership in CRT is building a better housing finance system for homebuyers and taxpayers, and providing global investors a growing number of opportunities to invest in the U.S. residential housing market."

Pricing for STACR Series 2018-DNA2 Notes:

- M-1 class was one-month LIBOR plus a spread of 80 basis points.
- M-2 class was one-month LIBOR plus a spread of 215 basis points.
- B-1 class was one-month LIBOR plus a spread of 370 basis points.

STACR 2018-DNA2 has a reference pool of single-family mortgages with an unpaid principal balance (UPB) of approximately $49.3 billion, consisting of a subset of fixed-rate, single-family mortgages with an original term of 241 to 360 months acquired by Freddie Mac (i) between August 1, 2017, and Nov. 30, 2017; or (ii) between November 1, 2016 and March 31, 2017 and that had been previously excluded from the STACR 2017-DNA3 reference pool due to the location of the related mortgaged property in a county declared by FEMA, at any time from and after September 14, 2017 and through and including November 2, 2017, to be a major disaster area and in which FEMA had authorized individual assistance to homeowners in such county as a result of Hurricane Harvey or Hurricane Irma.

The reference pool includes loans with LTVs ranging from 60 to 80 percent. As with STACR debt, a hypothetical structure of classes of reference tranches has been established which is backed by the mortgage loans in the reference pool. Freddie Mac holds in its entirety the senior loss risk A-H reference tranche and the first loss B-2H reference tranche in the capital structure. Freddie Mac also retains a portion of the risk in the class M-1, M-2 and B-1 reference tranches.

Barclays Capital Inc. and Nomura Securities International Inc. are co-lead managers and joint bookrunners.

Freddie Mac has led the market in introducing new credit risk-sharing offerings. Since 2013, the company has transferred a significant portion of credit risk on approximately $1 trillion of UPB on single-family mortgages, including STACR 2018-DNA2. The company has grown its investor base to more than 220 unique investors. 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 and Freddie Mac's blog FreddieMac.com/blog.

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