



## Freddie Mac Completes Largest SLST to Date -- Sells \$817 Million of Seasoned Loans

October 4, 2017

MCLEAN, VA--(Marketwired - Oct 4, 2017) - Freddie Mac (OTCQB: FMCC) today completed its third Seasoned Loan Structured Transaction (SLST) auction of 3,514 seasoned re-performing loans (RPL) and moderately delinquent loans serviced by Nationstar Mortgage LLC d/b/a Mr. Cooper. The transaction is expected to settle in November 2017. Freddie Mac, through its advisors, began marketing the transaction to potential bidders on August 29, 2017.

The SLST securitization program is a key part of Freddie Mac's seasoned loan offerings initiatives, which are designed to reduce less liquid assets in its mortgage-related investments portfolio and shed credit and market risk via economically reasonable transactions. The servicing of the loans will be in accordance with RPL [requirements pdf](#), similar to FHFA's [requirements pdf](#) applicable to the sale of nonperforming loans (NPLs), which prioritize borrower retention options in the event of a default and promote neighborhood stability.

This transaction will involve a two-step process. The initial step involves the sale of the loans via a competitive bidding process subject to a securitization term sheet. The sale will be executed on the basis of economics, subject to meeting Freddie Mac's internal reserve levels. The second step will require the purchaser of the loans to securitize the loans. Freddie Mac will guarantee and purchase the senior tranche of the issued from such securitization. The first loss subordinate tranche will be retained by the loan purchaser.

A key requirement of this transaction is that the buyer of the loans, and therefore the subordinate tranche, be an investor with substantial experience in managing both performing and moderately delinquent mortgage loans as well as securitizing mortgage loans.

The collateral is comprised of fixed- and step-rate modified seasoned loans. These loans were modified to assist borrowers who were at risk of foreclosure to help them keep their homes. The aggregate pool is geographically diverse and has a loan-to-value ratio of approximately 98 percent, based on Broker Price Opinions (BPOs).

The pool, winning bidder and cover bid price (second highest bid), stated in the form of a whole loan bid, are summarized below. The indicative price assumes Freddie Mac purchases the guaranteed senior bond at par:

Description	Pool
Unpaid Principal Balance	\$816.9 million
Loan Count	3,514
BPO CLTV (Weighted by BPO)	98
Average Loan Balance (\$000)	232.4
Winning Bidder	Towd Point Master Funding, LLC
Cover Bid Price (second-highest bid price)	High \$70s

Advisors to Freddie Mac on this transaction are Credit Suisse Securities (USA) LLC and The Williams Capital Group, L.P., a minority-owned business.

To date, Freddie Mac has sold \$7 billion in nonperforming loans (NPLs) and securitized \$31 billion in re-performing loans (RPLs), of which \$26 billion are in Freddie Mac Participation Certificates ("PCs") and \$5 billion are in structured offerings. Additional information about the company's seasoned loan offerings is at <http://www.freddie.com/seasonedloanofferings/index.html>.

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, 2016, filed with the Securities and Exchange Commission (SEC) on February 16, 2017; 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, 2016, 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. A description of factors that could cause actual results to differ materially from the expectations expressed in these and other forward-looking statements can be found in the company's Annual Report on Form 10-K for the year ended December 31, 2016, and its reports on Form 10-Q and Form 8-K, filed with the SEC and available on the Investor Relations page of the company's Web site at [www.FreddieMac.com/investors](http://www.FreddieMac.com/investors) and the SEC's website.

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](http://FreddieMac.com), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](http://FreddieMac.com/blog).

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