Freddie Mac Issues New 55-day Mirror Securities to Pave Way to Single Security

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Effort Expected to Provide More Liquidity and Lower Costs for Borrowers

MCLEAN, Va., Aug. 02, 2018 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) today announced that it will begin issuing new 55-day “mirror” mortgage-backed securities for the current population of exchange-eligible 45-day Freddie Mac Gold Participation Certificates (PCs) and Giant PCs to facilitate the implementation of the Single Security Initiative on June 3, 2019.

The company expects the initial issuance of mirror securities to take approximately 8 weeks beginning on August 7, 2018. Mirror security disclosures will be available on August 10, 2018. Freddie Mac expects to issue over 70,000 mirror securities during this 8-week period, corresponding to the population of exchange-eligible PCs and Giants. Freddie Mac will continue to issue mirror securities as new exchange-eligible 45-day securities are produced.

“We believe the early issuance of mirror securities will enable market participants to both analyze their holdings and build in pricing and disclosure in advance of the official exchange offer next May,” said Mark Hanson, senior vice president of securitization at Freddie Mac. “This is an important step toward the implementation of the Single Security Initiative in June 2019, paving the way for a combined Freddie Mac and Fannie Mae $3.5 trillion market of a To-Be-Announced Uniform Mortgage-Backed Security. The Single Security Initiative is intended to strengthen the U.S. mortgage market by providing more liquidity and lowering costs for borrowers.”

More information on the mirror security issuance process and other important information on the Proposed Gold PC and Giant PC Exchange is available online. The 55-day mirror securities will be able to be tracked through the Cumulative 45-day to 55-day Exchange Activity File, which can be found on the new Exchange Data Files webpage and the Daily New Issue File.

Until Freddie Mac commences the exchange offer in May 2019, all the mirror securities will be held in a Freddie Mac account at the Federal Reserve. At that time, investors will be able to exchange eligible 45-day PCs and Giants for corresponding 55-day mirror mortgage-backed securities on a one-for-one basis. Gold PC and Giant holders are expected to be able to choose between two alternative exchange paths: one facilitated by a dealer using Freddie Mac’s Dealer Direct ^{SM} portal or directly with Freddie Mac.

This 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 most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC); all other reports Freddie Mac files with the SEC pursuant to Section 13(a) of the Securities Exchange Act of 1934 (Exchange Act), 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.

The financial and other information contained in this press release and in the documents that may be accessed through this press release 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.

These materials may 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.

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.

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