



Freddie Mac Prices Final 2018 Low LTV STACR Deal

September 12, 2018

New Program Enhancements Deepen Commitment to the CRT Market

MCLEAN, Va., Sept. 12, 2018 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today announced the pricing of \$820 million Structured Agency Credit Risk ([STACR](#)[®]) Trust 2018-DNA3, its third and final 60-80 loan-to-value (LTV) deal of the year. As with the previous two STACR transactions, the notes are issued by a trust rather than as Freddie Mac debt. Through its STACR offerings, Freddie Mac transfers a significant portion of its mortgage credit risk on certain groups of loans to private investors.

Freddie Mac rolled out multiple program enhancements for STACR 2018-DNA3:

- Extended the term from 12.5-year to 30-year legal maturity
- Introduced new credit enhanced B-2 class offerings
- Offered new MAC notes for M-2, B-1, and B-2 classes

"This low LTV STACR Trust transaction builds on the progress we have made throughout the year, featuring a number of enhancements designed to make it more attractive to our growing list of investors," said Mike Reynolds, Freddie Mac's vice president of credit risk transfer. "More importantly, it deepens our commitment to the credit-risk transfer market, and we look forward to announcing additional improvements to this flagship offering in the coming months."

Pricing for STACR Trust Series 2018-DNA3:

- M-1 class was one-month LIBOR plus a spread of 75 basis points.
- M-2 class was one-month LIBOR plus a spread of 210 basis points.
- B-1 class was one-month LIBOR plus a spread of 390 basis points.
- B-2 class was one-month LIBOR plus a spread of 775 basis points.

STACR Trust 2018-DNA3 has a reference pool of single-family mortgages with an unpaid principal balance (UPB) of approximately \$30 billion, consisting of a subset of fixed-rate, single-family mortgages with LTVs ranging from 60 to 80 percent. The loans were acquired by Freddie Mac between Dec. 1, 2017, and March 31, 2018 and have an original term of 241 to 360 months.

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-3H reference tranche in the capital structure. Freddie Mac also retains a portion of the risk in the class M-1, M-2, B-1, and B-2 reference tranches.

J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are co-lead managers and joint bookrunners.

Freddie Mac has led the market in introducing new [credit risk transfer offerings](#). Since 2013, the company has transferred a significant portion of credit risk on approximately \$1.1 trillion of UPB on single-family mortgages. 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](https://www.FreddieMac.com), Twitter [@FreddieMac](https://twitter.com/FreddieMac) and Freddie Mac's blog [FreddieMac.com/blog](https://www.FreddieMac.com/blog).

MEDIA CONTACT: Christopher Spina
703-388-7031
Christopher_Spina@FreddieMac.com
INVESTOR CONTACT: Mike Reynolds
571-382-4852