



Freddie Mac Prices \$912 Million Multifamily K-Deal, K-C02

September 25, 2018

MCLEAN, Va., Sept. 25, 2018 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) recently priced a K-C Series offering of Structured Pass-Through Certificates ([K Certificates](#)), which are multifamily mortgage-backed securities. The company expects to issue approximately \$912 million in K Certificates (K-C02 Certificates), which are expected to settle on or about September 27, 2016. The K-C02 Certificates are guaranteed by Freddie Mac and are backed by a majority of 7-year, fixed rate loans that feature longer than typical periods of reduced prepayment penalties before maturity.

K-C02 Pricing

Class	Principal/Notional Amount (mm)	Weighted Average Life (Years)	Spread (bps)	Coupon	Yield	Dollar Price
A-1	\$61.759	4.95	S + 26	3.2540%	3.3397%	\$99.4994
A-2	\$851.207	6.68	S + 52	3.3700%	3.6140%	\$98.4874
X1	\$912.966	5.43	T+100.1	0.3738%	3.9466%	\$1.9354
X-NCP	\$912.966	6.56	Non-Offered			
X3	\$101.440	6.85	T+400	3.0645%	6.9798%	\$15.5122

*50% of the Class X3 notional size

Details

- Co-Lead Managers and Joint Bookrunners: Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC
- Co-Managers: Academy Securities Inc., Credit Suisse Securities (USA) LLC, Goldman, Sachs and Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated

Related Links

- The K-C02 Offering Circular Supplement: <http://www.freddiemac.com/mbs/data/kc02oc.pdf>
- Freddie Mac Multifamily [Investor Presentation](#)
- [Multifamily Securities Investor Access](#) database of post-securitization data from Investor Reporting Packages

The K-C02 Certificates are backed by corresponding classes issued by the FREMF 2018-KC02 Mortgage Trust (K-C02 Trust) and guaranteed by Freddie Mac. The K-C02 Trust will also issue certificates consisting of Class X2-A, Class X2-B, Class B, Class C and Class R Certificates, which will not be guaranteed by Freddie Mac and will not back any class of K-C02 Certificates.

[Freddie Mac Multifamily](#) is a leading issuer of agency-guaranteed structured multifamily securities. K-Deals are part of the company's business strategy to transfer a portion of the risk of losses away from taxpayers and to private investors who purchase the unguaranteed subordinate bonds. K Certificates typically feature a wide range of investor options with stable cash flows and structured credit enhancement.

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.

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