



Year-to-Date STACR Issuance Reaches \$6.3 Billion With \$1 Billion HQA2 Deal

October 16, 2018

MCLEAN, Va., Oct. 16, 2018 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today announced the pricing of \$1 billion Structured Agency Credit Risk ([STACR](#)) Trust 2018-HQA2, its second planned and final HQA deal of the year. Through its STACR offerings, Freddie Mac transfers a significant portion of its mortgage credit risk on certain groups of loans to private investors.

"We issued \$6.3 billion of STACR offerings to the market so far this year, with two more planned executions," said Mike Reynolds, Freddie Mac's vice president of credit risk transfer. "The recent [enhancements](#) to the STACR program are making the program even more attractive to investors worldwide and moving us closer to a durable credit risk transfer (CRT) structure."

Pricing for STACR Trust Series 2018-HQA2:

- 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 230 basis points.
- B-1 class was one-month LIBOR plus a spread of 425 basis points.
- B-2 class was one-month LIBOR plus a spread of 1,100 basis points.

STACR Trust 2018-HQA2 has a reference pool of single-family mortgages with an unpaid principal balance (UPB) of approximately \$36.2 billion, consisting of a subset of fixed-rate, single-family mortgages with an original term of 241 to 360 months with LTVs ranging from 80 percent to 97 percent. As with STACR debt, a hypothetical structure of classes of reference tranches has been established in this trust offering, 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.

Nomura Securities International, Inc. and BofA Merrill Lynch 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](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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