



Freddie Mac Prices Second Agency Credit Insurance Structure AFRM Transaction

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Total insured with ACIS Forward Risk Mitigation program is more than \$10.6 billion

MCLEAN, Va., Nov. 19, 2018 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today announced its second Agency Credit Insurance Structure (ACIS[®]) Forward Risk Mitigation (AFRM[®]) transaction. This transaction transfers up to \$400 million of credit risk on a reference pool of single-family loans with a maximum unpaid principal balance of \$12 billion.

ACIS AFRM is an innovative front-end credit risk transfer offering that allows Freddie Mac to transfer mortgage credit risk simultaneously with the acquisition of loans by securing committed private capital and by providing stable pricing over a pre-determined time horizon.

"Freddie Mac's latest ACIS AFRM offering extends our commitment to transfer credit risk away from taxpayers while providing insurers and reinsurers with attractive opportunities in the U.S residential housing market," said Gina Subramonian Healy, vice president of credit risk transfer. "The key to the success of this front-end risk sharing program is that it is the industry's largest and most diversified loan reference pool and a multi-tranche structure that accommodates investors with varied appetite for risk."

The transaction attracted high demand among insurers and reinsurers, more than doubling the number of counterparties compared with the first ACIS AFRM transaction [announced](#) in January 2018.

The transaction's reference pool consists of 30-year fixed-rate loans acquired between Jan. 1, 2018 and June 30, 2019, with loan-to-value ratios between 61 percent and 97 percent.

"The significant growth in insurers and reinsurers participating in this transaction is clear evidence of the growing demand for these types of front-end risk transfers, and we look forward to continuing to lead the industry in finding new ways to transfer this risk," added Healy.

Since the ACIS program inception in 2013, Freddie Mac has placed more than \$10.6 billion in insurance coverage while expanding its investor base. Since 2013, the company has transferred a significant majority of the credit risk on approximately \$1.2 trillion of UPB on single-family mortgages and grown its investor base to more than 230 unique investors, including insurers and reinsurers.

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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