



Freddie Mac Announces First SLST Deal of 2019

February 20, 2019

MCLEAN, Va., Feb. 20, 2019 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) today announced its first Seasoned Loans Structured Transaction (SLST) of 2019, backed by a pool of approximately \$1.3 billion seasoned re-performing loans (RPLs). The SLST program is a key part of Freddie Mac's seasoned loan offerings which reduce less-liquid assets in its mortgage-related investments portfolio and shed credit and market risk via economically sensible transactions.

The loan pool is comprised of loans that were modified to assist borrowers who were at risk of foreclosure to help them keep their homes. The servicing of the loans will be in accordance with [requirements](#) that prioritize borrower retention options in the event of default and promote neighborhood stability.

The transaction involves a two-step process. The first step is an auction of the right to purchase the subordinate, non-guaranteed certificates backed by the RPLs, subject to the terms set forth in a securitization term sheet. The winning bidder will be chosen on the basis of economics, subject to meeting Freddie Mac's internal reserve levels. In the second step, the SLST Trust will issue both senior and subordinate certificates. Freddie Mac will guarantee certain senior certificates, and may initially retain some of such certificates. The winner of the auction will purchase the subordinate certificates at issuance.

Advisors to Freddie Mac on this transaction are J.P. Morgan Securities LLC and Wells Fargo Securities, LLC as co-lead managers and joint bookrunners, and Citigroup Global Markets Inc., Nomura Securities International, Inc., and Mischler Financial Group, Inc., (a minority broker dealer certified as a Service-Disabled Veteran Business Enterprise), as the co-managers.

To date, Freddie Mac has sold \$8 billion of non-performing loans and securitized over \$48 billion of RPLs consisting of \$29 billion via fully guaranteed PCs, \$16 billion via SCRT transactions, and \$3 billion via SLST transactions. Additional information about the company's seasoned loan offerings can be found at: <http://www.freddiemac.com/seasonedloanofferings/>

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, 2018, filed with the Securities and Exchange Commission (SEC) on February 14, 2019; 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, 2018, 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, 2018, 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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