



## Freddie Mac Opens Gold PC / Giant PC Exchange Offer to Investors

May 7, 2019

### Single Security Initiative Set to Benefit Investors, Taxpayers and Homebuyers

MCLEAN, Va., May 07, 2019 (GLOBE NEWSWIRE) -- Today marked another milestone for the Single Security Initiative, as Freddie Mac (OTCQB: FMCC) commenced its offer to investors to exchange certain eligible Freddie Mac securities for To-Be-Announced (TBA)-eligible Uniform Mortgage Backed Securities Mirror Certificates (UMBS). Opening the exchange offer represents the final step before the Single Security Initiative goes live on June 3. The exchange offer is described in more detail below and investors can access Freddie Mac's Exchange Offer Circular at [freddiemac.com/mbs/legal/](http://freddiemac.com/mbs/legal/).

The Single Security Initiative is expected to transform the U.S. housing finance industry by creating a single, \$5 trillion agency TBA mortgage-backed securities market, the second largest bond market in the world, with the goal of providing greater liquidity in the U.S. housing market and reducing costs for borrowers.

"Freddie Mac Gold PC investors who want the benefit of the new single security, or UMBS, should find the exchange frictionless," said Mark Hanson, senior vice president of securitization at Freddie Mac. "Ultimately, our goal is a larger, more fungible secondary mortgage market, with greater liquidity for investors, better returns to U.S. taxpayers, and lower costs for homebuyers."

Specifically, Freddie Mac is offering to exchange its 45-day payment delay TBA-eligible and non-TBA-eligible Gold Mortgage Participation Certificates (Gold PCs) securities for Freddie Mac 55-day payment delay, TBA-eligible UMBS Mirror Certificates (UMBS) and non-TBA-eligible Mortgage-Backed Securities Mirror Certificates (MBS), respectively. Freddie Mac is also offering to exchange its 45-day payment delay TBA-eligible and non-TBA-eligible Giant PCs for Freddie Mac 55-day payment delay, TBA-eligible Supers Mirror Certificates and non-TBA-eligible Giant Mortgage-Backed Securities Mirror Certificates, respectively.

Holders who participate in the exchange offer also will receive "float compensation," a one-time payment, which is primarily intended to compensate holders for the difference in payment delay between eligible Gold PCs and Giant PCs (which have a 45-day payment delay) and the related Mirror Certificates (which have a 55-day payment delay). Investors should read the Exchange Offer Circular for the terms and conditions pertaining to Freddie Mac's exchange offer.

Freddie Mac offers investors two alternative exchange paths to complete exchanges: through dealers using Freddie Mac's Dealer Direct portal, or directly with Freddie Mac as facilitated through Tradeweb. An overview of both paths and considerations for investors is available on Freddie Mac's [website](#).

In March and April, Freddie Mac successfully conducted limited exchanges from its own portfolio and with more than one dozen dealers. Investors can begin booking exchange transactions through the two exchange paths on May 7 for settlement dates beginning on May 17. Thereafter, Freddie Mac is planning for a transition period to help all market participants understand and prepare for exchanges. During this period, exchanges will settle T+2, and overall capacity will be limited to 10,000 exchanges per business day. Investors who prefer to hold their Freddie Mac Gold PC or Giant PC securities are not required to make an exchange. Freddie Mac expects to cease issuing Gold PCs after May 31, 2019.

Holders of eligible Freddie Mac Gold PC and Giant PC securities can find more information about the Gold PC and Giant PC exchange offer on Freddie Mac's [website](#). Details on the 55-day UMBS and MBS Mirror Certificates are disclosed through the Cumulative 45-Day to 55-Day Exchange Activity File, which can be found on the Exchange Data Files webpage. Freddie Mac is also now publishing the Daily 45-Day to 55-Day Exchange Activity and the Aggregate Level 1 Collateral Exchange Activity data files on the [Exchange Data Files](#) webpage.

This announcement is not an offer to exchange, buy or sell any Freddie Mac securities. Offers to exchange any given security are made only through Freddie Mac's current Exchange Offer Circular and related supplements, which incorporate Freddie Mac's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC); all other reports Freddie Mac files with the SEC pursuant to Section 13(a) of the Securities Exchange Act of 1934 (Exchange Act), 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.

The financial and other information contained in this release and in the documents that may be accessed in this release 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.

This release may 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 most recent Annual Report on Form 10-K, 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 [FreddieMac.com/investors](http://FreddieMac.com/investors) and the SEC's website at [www.sec.gov](http://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 page.

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).

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