



Freddie Mac Prices \$731 Million Multifamily K-Deal, K-F74

February 12, 2020

Second K-Deal with Bonds Indexed to SOFR

MCLEAN, Va., Feb. 12, 2020 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) has priced a new offering of Structured Pass-Through Certificates ([K Certificates](#)), which includes a class of floating rate bonds indexed to the Secured Overnight Financing Rate (SOFR). The approximately \$731 million in K Certificates (K-F74 Certificates) are expected to settle on or about February 20, 2020. The K-F74 Certificates are backed by floating-rate multifamily mortgages with 7-year terms, which are currently LIBOR-based.

K-F74 includes one class (Class AL) of senior bonds indexed to LIBOR and another class (Class AS) of senior bonds indexed to SOFR. Freddie Mac will provide a basis risk guarantee on Class AS that covers any floating interest rate basis risk if the value of SOFR exceeds the value of LIBOR. The structure is similar to K-F73, which priced in December 2019.

K-F74 Pricing

Class	Principal/Notional Amount (mm)	Weighted Average Life (Years)	Discount Margin	Coupon	Dollar Price
AL	\$481.017	6.67	44	1 mo LIBOR + 44	100.000
AS	\$250.000	6.67	53	1 mo avg SOFR + 53	100.000
X	\$101.530	6.68		Non-Offered	

Details

- Co-Lead Managers and Joint Bookrunners: Goldman Sachs and Co. LLC and Morgan Stanley & Co. LLC
- Co-Managers: Cantor Fitzgerald & Co., CastleOak Securities, L.P., J.P. Morgan Securities LLC and Performance Trust Capital Partners, LLC

Related Links

- The K-F74 preliminary offering circular supplement: <http://www.freddiemac.com/mbs/data/kF74oc.pdf>
- Freddie Mac Multifamily [Securitization Overview](#)
- [Multifamily Securities Investor Access](#) database of post-securitization data from Investor Reporting Packages

The K-F74 Certificates will not be rated, and will include two senior principal and interest classes and one interest-only class that is also entitled to static prepayment premiums. The K-F74 Certificates are backed by corresponding classes issued by the FREMF 2020-KF74 Mortgage Trust (KF74 Trust) and guaranteed by Freddie Mac. The KF74 Trust will also issue certificates consisting of the Class B, C and R Certificates, which will be subordinate to the classes backing the K-F74 Certificates and will not be guaranteed by Freddie Mac.

[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, 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.

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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.

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