



Freddie Mac Prices \$870 Million Multifamily K-Deal, K-F75

February 26, 2020

Third K-Deal with Bonds Indexed to SOFR

MCLEAN, Va., Feb. 26, 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 \$870 million in K Certificates (K-F75 Certificates) are expected to settle on or about March 6, 2020. The K-F75 Certificates are backed by floating-rate multifamily mortgages with 10-year terms, which are currently LIBOR-based.

K-F75 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-F75 Pricing

| Class | Principal/Notional Amount (mm) | Weighted Average Life (Years) | Discount Margin | Coupon | Dollar Price |
|-------|--------------------------------|-------------------------------|-----------------|--------------------|--------------|
| AL | \$570.860 | 9.53 | 51 | 1 mo LIBOR + 51 | 100.000 |
| AS | \$300.000 | 9.53 | 55 | 1 mo avg SOFR + 55 | 100.000 |
| X | Non-Offered | | | | |

Details

- Co-Lead Managers and Joint Bookrunners: Morgan Stanley & Co. LLC and Cantor Fitzgerald & Co.
- Co-Managers: Bancroft Capital, LLC, BofA Securities, Inc., Brean Capital, LLC and Citigroup Global Markets Inc.

Related Links

- The K-F75 preliminary offering circular supplement: <http://www.freddie.mac.com/mbs/data/kF75oc.pdf>
- Freddie Mac Multifamily [Securitization Overview](#)
- [Multifamily Securities Investor Access](#) database of post-securitization data from Investor Reporting Packages

The K-F75 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-F75 Certificates are backed by corresponding classes issued by the FREMF 2020-KF75 Mortgage Trust (KF75 Trust) and guaranteed by Freddie Mac. The KF75 Trust will also issue certificates consisting of the Class B, C and R Certificates, which will be subordinate to the classes backing the K-F75 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, 2019, filed with the Securities and Exchange Commission (SEC) on February 13, 2020; 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, 2019, 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. 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.

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