



Freddie Mac Prices \$580 Million Multifamily K-Deal, K-HG2, Backed by Properties Controlled by Harbor Group International, LLC

February 27, 2020

MCLEAN, Va., Feb. 27, 2020 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) recently priced a new offering of Structured Pass-Through Certificates ([K Certificates](#)), backed by a fixed-rate multifamily mortgage loan. The approximately \$580 million in K Certificates (K-HG2 Certificates) are backed by sixteen properties indirectly controlled by Harbor Group International, LLC, or its affiliates. K-HG2 is expected to settle on or about March 6, 2020.

The transaction collateral is part of Freddie Mac's single-asset, single borrower (SASB) execution. The SASB execution transfers first loss credit risk on either one or multiple properties owned or controlled by a single sponsorship group.

K-HG2 Pricing

Class	Principal/Notional Amount (mm)	Weighted Average Life (Years)	Spread (bps)	Coupon	Yield	Dollar Price
A-1	\$67.080	7.53	IS + 60	1.91600%	1.83428%	\$100.4944
A-2	\$513.306	9.97	IS + 66	2.29900%	1.95950%	\$102.9923
X	\$580.386	8.90	T + 110	0.40572%	2.37815%	\$2.6863

Details

- Co-Lead Managers and Bookrunners: Wells Fargo Securities, LLC and Goldman, Sachs & Co. LLC
- Co-Managers: BMO Capital Markets Corp., Cantor Fitzgerald & Co., Credit Suisse Securities (USA) LLC and Stern Brothers & Co.

Related Links

- The K-HG2 preliminary offering circular supplement: <http://www.freddie.mac.com/mbs/data/khg02oc.pdf>
- Freddie Mac Multifamily [Investor Presentation](#)
- [Multifamily Securities Investor Access](#) database of post-securitization data from Investor Reporting Packages

The K-HG2 Certificates will not be rated, and will include two senior principal and interest classes and one interest only class. The K-HG2 Certificates are backed by corresponding classes issued by the FREMF 2020-KHG2 Mortgage Trust (KHG2 Trust) and guaranteed by Freddie Mac. The KHG2 Trust will also issue certificates consisting of the Class B, C and R Certificates, which will be subordinate to the classes backing the K-HG2 Certificates. The KHG2 Trust Class B, C and R Certificates 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.

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, 2019, 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 multifamily investors section of the company's Web site at <https://mf.freddie.mac.com/investors/> will also be updated, from time to time, with any information on material developments or other events that may be important to investors, and we encourage investors to access this website on a regular basis for such updated information.

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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