Freddie Mac Energizes GSE CRT Market with Latest STACR Offering

July 6, 2020

STACR REMIC 2020-DNA3 Sees Strong Investor Interest

MCLEAN, Va., July 06, 2020 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) announced today that it has priced its STACR 2020-DNA3 offering. Strong investor demand led Freddie Mac to double the planned size of the bond issuance—the first Single-Family GSE credit risk transfer (CRT) offering since March—to $1.1 billion.

STACR® (Structured Agency Credit Risk) and ACIS® (Agency Credit Insurance Structure) make up Freddie Mac's flagship CRT program. ACIS 2020-DNA3 is scheduled to close July 8 along with its STACR counterpart.

“Freddie Mac is pleased to be back in the market with an oversubscribed offering,” said Freddie Mac’s Mike Reynolds, Vice President, Single-Family CRT. “Strong interest shows investors are eager to have a big, programmatic issuer back at work.”

STACR REMIC 2020-DNA3
STACR REMIC 2020-DNA3 is Freddie Mac’s third securities transaction of the year covering single-family loans with low loan-to-value (LTV) ratios between 60% and 80%. The loans were securitized between October 1, 2019 and December 31, 2019 and originated on or after January 1, 2015.

Pricing for STACR REMIC 2020-DNA3:

- M-1 class: one-month LIBOR plus a spread of 150 basis points.
- M-2 class: one-month LIBOR plus a spread of 300 basis points.
- B-1 class: one-month LIBOR plus a spread of 510 basis points.
- B-2 class: one-month LIBOR plus a spread of 935 basis points.

Freddie Mac holds in its entirety the senior loss risk A-H bond and the first loss B-3H bond in the capital structure. Freddie Mac also retains a portion of the risk in the class M-1, M-2, B-1, and B-2 tranches. Barclays and BofA Securities, Inc. are co-lead managers and joint bookrunners.

Freddie Mac has led the market in introducing new credit risk sharing opportunities. Since 2013, the company has transferred a portion of credit risk on approximately $1.6 trillion in unpaid principal balance (UPB) on single-family mortgages. It has also grown its investor base to more than 250 unique participants, including investors, insurers and reinsurers.

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, 2017, 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.

About Freddie Mac Single-Family Credit Risk Transfer

Freddie Mac’s Single-Family CRT programs transfer credit risk away from U.S. taxpayers to global private capital via securities and (re)insurance policies. We founded the GSE Single-Family CRT market when we issued our first Structured Agency Credit Risk (STACR®) notes in July 2013. In November 2013, we introduced our Agency Credit Insurance Structure (ACIS®) program. Today, CRT serves as the primary source of private capital investment in residential mortgage credit. For specific STACR and ACIS transaction data, please visit Clarity, our CRT data intelligence portal.

About Freddie Mac

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, investors and taxpayers. Learn more at FreddieMac.com, Twitter @FreddieMac and Freddie Mac's blog FreddieMac.com/blog.

MEDIA CONTACT: Fred Solomon
703-903-3861
Frederick_Solomon@FreddieMac.com
INVESTOR CONTACT: Christian Valencia
571-382-3727