



Freddie Mac Obtains New \$425 Million ACIS Insurance Policy

July 14, 2020

Oversubscribed ACIS 2020-DNA3 Doubles Anticipated Size

MCLEAN, Va., July 14, 2020 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) announced today that it has obtained a new insurance policy under its [ACIS](#)® (Agency Credit Insurance Structure) program. The policy provides a maximum limit of up to approximately \$425 million of losses on a \$48.3 billion reference pool. Through ACIS 2020-DNA3, a substantial portion of the remaining credit risk on STACR 2020-DNA3 is being transferred.

"Recent, strong interest in our flagship STACR and ACIS products highlights an active market for credit risk transfer (CRT). Much like the related STACR offering earlier this month, oversubscription of ACIS 2020-DNA3 convinced us to double its planned size over the course of the transaction, and we are already in the market with our next STACR and ACIS transactions," said Freddie Mac's Mike Reynolds, Vice President, Single-Family CRT.

The new ACIS policy's reference pool consists of fixed-rate, 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.

Freddie Mac has placed more than \$1.5 billion in insurance coverage through five ACIS transactions in 2020, which represents a significant portion of the cumulative credit loss exposure Freddie Mac has laid off for the year. Since 2013, the company has transferred a portion of credit risk on approximately \$1.6 trillion in unpaid principal balance (UPB) of 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 and taxpayers. Learn more at FreddieMac.com, Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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