



## Freddie Mac Closes \$2.6 Billion MCIP Reinsurance Transaction

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MCLEAN, Va., Aug. 20, 2020 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) closed its third Multifamily Credit Insurance Pool ("MCIP") offering, MCIP 2020-R3. The transaction reinsures risk on a \$2.6 billion reference pool made up of 136 multifamily loans.

Partnering with reinsurance broker Aon, Freddie Mac retains the first 1.00% of losses, and has purchased credit risk insurance for the next 5.5% of credit losses on the reference pool which consists of conventional and affordable loans in Freddie Mac's Multifamily Participation Certificate program.

In MCIP transactions, Freddie Mac enters into long-term credit insurance contracts whereby a portion of any credit losses that occurs from existing multifamily loans in the company's portfolio or bonds that Freddie Mac fully guarantees is covered by reinsurers. By transferring a percentage of credit risk to reinsurers, Freddie Mac reduces its need to hold capital for the underlying loans in the pool.

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](#), [@FreddieMac](#) and [Freddie Mac's blog](#).

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