



Freddie Mac Credit Protects \$167.3 Billion of Single-Family Mortgages in Third Quarter

November 4, 2020

Over \$308.6 Billion Protected Year-to-Date

MCLEAN, Va., Nov. 04, 2020 (GLOBE NEWSWIRE) -- [Freddie Mac's](#) Single-Family business today announced that its [Credit Risk Transfer \(CRT\)](#) program transferred credit risk via \$6.4 billion of issuance on \$167.3 billion of single-family mortgages from U.S. taxpayers to the private sector in the third quarter 2020. The issuance included STACR[®], ACIS[®] and approximately \$1 billion of senior subordination securitization structures and certain lender risk sharing transactions. Since the beginning of the year, the company has transferred \$12.1 billion on \$308.6 billion of mortgages.

"After taking a pause to assess the impact of the pandemic in the second quarter, Freddie Mac's CRT program came charging back in the third," said Freddie Mac's Mike Reynolds, Vice President of Single-Family CRT. "Several of our offerings were oversubscribed and upsized, suggesting investors were ready for the return of new issuances in this asset class."

Through its flagship offerings, Freddie Mac issued approximately \$5.4 billion across four STACR and five ACIS transactions in the third quarter. Among the notable transactions was the STACR REMIC 2020-HQA4 offering, the last scheduled STACR deal tied to LIBOR before the company moved to an alternative reference rate for later issuances. Another was ACIS 2020-AFRM1, the company's first ACIS AFRM[®] (Forward Risk Mitigation) transaction of 2020, which transfers up to \$450 million of credit risk on a reference pool of single-family loans with a maximum unpaid principal balance of \$17.3 billion to a diversified panel of 17 insurance and reinsurance participants.

As a result of STACR and ACIS on-the-run transactions this quarter, Freddie Mac transferred between 79 percent (high LTV HQA series) and 85 percent (low LTV DNA series) of the credit risk on the underlying reference pools, helping to reduce capital required under the Conservatorship Capital Framework (CCF). As of September 30, 2020, 44 percent of the Single-Family guarantee portfolio was covered by certain CRT transactions, and conservatorship capital needed for credit risk on this population was reduced by approximately 76 percent through these CRT transactions based on prescribed CCF guidelines.

Since the first CRT transaction in 2013, Freddie Mac's Single-Family CRT program has cumulatively transferred \$64 billion in credit risk on \$1.7 trillion in mortgages through STACR, ACIS, certain senior subordination securitization structures and certain lender risk sharing transactions.

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](#).

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