



Freddie Mac Announces First K-Deal with SOFR Indexed Multifamily Mortgages

December 7, 2020

MCLEAN, Va., Dec. 07, 2020 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today announced that its latest offering of Structured Pass-Through Certificates (K Certificates) will include classes of floating rate bonds indexed to the Secured Overnight Financing Rate (SOFR) and backed by underlying mortgages that are also indexed to SOFR. The approximately \$991.5 million in [K Certificates](#) (K-F95 Certificates) are expected to price on or about December 8, 2020. The offering is the first of its kind as all past SOFR-based K-Deal floating rate bonds were backed by LIBOR-based underlying mortgages.

K-F95 will also include classes of floating-rate bonds indexed to LIBOR and backed by underlying mortgages that are indexed to LIBOR. Freddie Mac Multifamily began purchasing SOFR based floating rate mortgages in October 2020 and will cease all LIBOR-indexed loan purchases by the end of the year. Once all LIBOR-indexed loans purchased by year end 2020 have been securitized, floating rate K Certificates will include only SOFR-indexed bond classes.

"Throughout the past year we have worked to ease the transition away from LIBOR with more than 20 K-Deals that included bonds indexed to SOFR," said Robert Koontz, Senior Vice President of Multifamily Capital Markets. "The collateral for those offerings was LIBOR-based and Freddie Mac covered the basis mismatch. With purchases of SOFR-indexed loans gaining momentum, we're now able to offer the first tranche of SOFR bonds backed by SOFR collateral."

In December 2019, Freddie Mac [priced K-F73](#), which was the multifamily industry's first offering of SOFR-based bonds. [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, 2018, filed with the Securities and Exchange Commission (SEC) on February 14, 2019; 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, 2018, 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, 2018, 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.freddiemac.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.

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](https://twitter.com/FreddieMac) and Freddie Mac's blog FreddieMac.com/blog.

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