



Freddie Mac Prices First-of-its-Kind \$276 Million in Multifamily Structured Credit Risk Notes

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MCLEAN, Va., Jan. 14, 2021 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) recently priced a new offering of Multifamily Structured Credit Risk (MSCR) Notes, Series 2021-MN1. The MSCR (pronounced M-SCORE) program is designed to transfer to private investors a portion of the credit risk on eligible multifamily mortgage loans backing certain fully guaranteed securities issued by Freddie Mac, thereby reducing U.S. taxpayers' exposure to mortgage credit risk. The approximately \$276 million in [MSCR Notes](#) were priced on January 12, 2021.

The MSCR Notes are unsecured and unguaranteed mezzanine classes issued by a trust. Freddie Mac holds in its entirety the senior loss risk A-H class and the first loss B-2H class in the capital structure, along with retaining a portion of the risk in the class M-1, M-2 and B-1 tranches.

"The growth in our single pass through structure, Multifamily Mortgage Participation Certificates, has created a new opportunity to transfer credit risk," said Robert Koontz, Senior Vice President of Multifamily Capital Markets. "The MSCR 2021-MN1 transaction is an example of Freddie Mac's dedication to engaging private capital to reduce taxpayers' exposure to credit risk."

MSCR Notes Series 2021-MN1 Pricing:

Class	Principal/Notional Amount (\$mm)	Initial Credit Enhancement	Weighted Average Life (Years)	Benchmark	Spread (bps)	Price
M-1	\$69.143	6.00%	5.33	30-day SOFR Average	+200	\$100.00
M-1H*	\$3.640	6.00%	Non-offered Vertical Reference Tranche			
M-2	\$161.334	2.50%	9.54	30-day SOFR Average	+375	\$100.00
M-2H*	\$8.492	2.50%	Non-offered Vertical Reference Tranche			
B-1	\$46.095	1.50%	11.40	30-day SOFR Average	+775	\$100.00
B-1H*	\$2.427	1.50%	Non-offered Vertical Reference Tranche			
B-2H*	\$72.783	0%	Non-offered Reference Tranche			

*Each reference tranche represents risk retained by Freddie Mac.

The amount of periodic principal and ultimate principal paid by the trust is determined by the performance of the MSCR 2021-MN1 reference pool, which consists of approximately 302 multifamily mortgage loans originated between 2013 and 2020 with an approximate unpaid principal balance of \$4.9 billion. The loans adhere to Freddie Mac's multifamily underwriting, internal fraud prevention and quality control standards.

Details:

Co-Lead Managers and Joint Bookrunners: BofA Securities, Inc. and Wells Fargo Securities, LLC

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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.

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FreddieMac.com/blog.

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