



Freddie Mac Prices \$232 Million in Multifamily Structured Credit Risk Notes

July 23, 2021

MCLEAN, Va., July 23, 2021 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) recently priced a new offering of Multifamily Structured Credit Risk (MSCR) Notes, Series 2021-MN2. The MSCR (pronounced M-SCORE) program is designed to reduce Freddie Mac's exposure to mortgage credit risk and bolster the company's mission of supporting affordable and quality rental housing. MSCR transactions transfer to private investors a portion of the credit risk on two categories of eligible multifamily mortgage loans: loans that back certain fully guaranteed securities issued by Freddie Mac through its participation certificate securitization program (PC Loans); and loans that are originated in connection with Freddie Mac's multifamily targeted affordable housing tax-exempt bond credit enhancement program (BCE Loans). The approximately \$232 million in [MSCR Notes](#) were priced on July 21, 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.

MSCR Notes Series 2021-MN2 Pricing:

Class	Principal/Notional Amount (\$mm)	Initial Credit Enhancement	Weighted Average Life (Years)	Benchmark	Spread (bps)	Price
M-1	58.184	6.00%	5.11	30-day SOFR Average	+180	\$100.00
M-1H*	\$3.062	6.00%	Non-offered Vertical Reference Tranche			
M-2	\$135.764	2.50%	8.88	30-day SOFR Average	+335	\$100.00
M-2H*	\$7.145	2.50%	Non-offered Vertical Reference Tranche			
B-1	\$38.789	1.50%	12.43	30-day SOFR Average	+550	\$100.00
B-1H*	\$2.042	1.50%	Non-offered Vertical Reference Tranche			
B-2H*	\$61.246	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-MN2 reference pool, which consists of 35 BCE Loans and 5 PC Loans originated between 2014 and 2020 with an approximate unpaid principal balance of \$4 billion. Over 91% of UPB in the reference pool have at least a portion of the units designated to low-income families, demonstrating Freddie Mac's work to support affordable housing through credit risk transfer investment opportunities. The loans adhere to Freddie Mac's multifamily underwriting, internal fraud prevention and quality control standards.

Details:

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

Co-Manager: Drexel Hamilton, LLC

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, 2020, filed with the Securities and Exchange Commission (SEC) on February 11, 2021; 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, 2020, 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.

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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.

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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