Freddie Mac Prices $357 Million Sustainability Bonds Offering of Guaranteed Tax-Exempt ML Certificates

July 23, 2021

Offering Continues Support for Multifamily Affordable Housing Projects

MCLEAN, Va., July 23, 2021 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) recently priced a new offering of credit risk transfer securities backed by Tax-Exempt Loans (TELs) made by state or local housing agencies and secured by affordable rental housing. This is the company's eleventh ML Certificate offering and fifth ML-Deal with the sustainability bonds moniker.

The company expects to guarantee approximately $357 million in fixed- rate ML Certificates (ML-11 Certificates) that are supported by a pool of fixed-rate TELs. The ML-11 Certificates are expected to settle on or about July 29, 2021.

The ML-11 Certificates are designated as “sustainability bonds” within Freddie Mac’s Sustainability Bonds Framework. The proceeds will be used to finance multifamily properties that (a) finance affordable housing to low-to-moderate-income families, (b) may have features, or are located in areas, that further economic opportunity for residents and (c) may include certain environmental impact features.

Class	Principal/ Notional Amount (mm)	Weighted Average Life (Years)	Spread (bps)	Coupon	Yield	Dollar Price
A-US	$357.477	12.66	S + 24	2.003%	1.644%	$103.9911
X-US	$357.477	11.95	T + 175	0.769%	3.122%	$7.1123

Details

- Lead Manager and Bookrunners: Wells Fargo Securities, LLC and Jefferies LLC
- Co-Managers: Bancroft Capital, LLC, J.P. Morgan Securities LLC, Piper Sandler & Co. and Stifel, Nicolaus & Company, Incorporated
- Rating Agency: S&P Global Ratings

Related Links

- ML-11 Offering Circular Supplement
- Tax-Exempt Loan Securitization Program Investor Presentation [pdf]
- Freddie Mac Multifamily Investor Presentation [pdf]
- Multifamily Securities Investor Access database of post-securitization data from Investor Reporting Packages
- Sustainability bonds Framework [pdf]

The ML-11 Certificates are issued by FRETE 2021-ML11 Trust (ML-11 Trust). The Class A-US Certificates are senior principal and interest certificates, which are rated as AA+(sf) by S&P Global Ratings and the Class X-US Certificates are interest-only certificates. The Class A-US and Class X-US Certificates are guaranteed by Freddie Mac. The ML-11 Trust will also issue Class B-US Certificates, which will not be guaranteed by Freddie Mac.

Freddie Mac Multifamily is a leading issuer of agency-guaranteed structured multifamily securities. ML-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. ML 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, 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.

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, 2020, 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 and Freddie Mac's blog FreddieMac.com/blog.

MEDIA CONTACT: Erin Mancini
703-903-1530
Erin_Mancini@FreddieMac.com
INVESTOR CONTACTS: Robert Koontz
571-382-4082
Luba Kim-Reynolds
212-418-8879