Freddie Mac Multifamily Launches When-Issued K-Deal® Program

September 8, 2021

Program Provides an Opportunity to Purchase Fixed-Rate K-Deal A-M Certificates Prior to Issuance

MCLEAN, Va., Sept. 08, 2021 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) Multifamily today announced it will soon go to market with its inaugural When-Issued K-Deal® offering (WI K-Deal) which is backed at first by cash collateral and later by newly issued A-M Certificates purchased from a referenced fixed-rate K-Deal. Freddie Mac anticipates that new issue K-Deal A-M Certificates will only be available to investors through the WI K-Deal program.

"The WI K-Deal program provides a new way for investors to gain exposure to our A-M bond class prior to K-Deal issuance," said Robert Koontz, senior vice president of Capital Markets for Freddie Mac Multifamily. "It also allows us to transfer market risk while we pool collateral for K-Deals. As a result, the new program will reduce our need to hedge spread risk, helping reduce inefficiency and further optimize our executions."

Investors provide the initial cash collateral for the WI K-Deal trust certificates. After a period of no longer than 90-days, the WI K-Deal trust will purchase newly issued referenced K-Deal A-M Certificates and provide investors with an opportunity to exchange their WI K-Deal trust certificates for K-Deal A-M Certificates.

WI K-Deal trust certificates are funded investments, which settle shortly after the WI K-Deal offering period. The certificates are tradeable shortly after the WI K-Deal pricing and are public securities backed by the Freddie Mac guarantee. The WI K-Deal trust certificates' fixed-rate coupon will be identical to that of the referenced K-Deal A-M class, and they will be sized to approximately match with a referenced K-Deal A-M class.

Freddie Mac has published an investor presentation and FAQ providing additional details on the WI K-Deal program.

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-Deal 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.

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