



Freddie Mac Prices \$724 Million Multifamily K-Deal, K-HG3, Backed by Properties Controlled by Harbor Group International, LLC

October 15, 2021

MCLEAN, Va., Oct. 15, 2021 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) recently priced a new offering of Structured Pass-Through Certificates ([K Certificates](#)), backed by a multifamily mortgage loan with one fixed rate component and two floating rate components. The approximately \$724 million in K Certificates (K-HG3 Certificates) are backed by 41 properties indirectly controlled by Harbor Group International, LLC, or its affiliates. K-HG3 is expected to settle on or about October 21, 2021.

The transaction collateral is part of Freddie Mac's single-asset, single borrower (SASB) execution. The SASB execution transfers first loss credit risk on either one or multiple properties owned or controlled by a single sponsorship group.

K-HG3 Pricing

Class	Principal/Notional Amount (mm)	Weighted Average Life (Years)	Spread (bps)	Coupon	Yield	Dollar Price
AFX-1	\$33.000	5.48	S+5	1.26500%	1.25288%	99.9970
AFX-2	\$401.581	6.93	S+13	1.80600%	1.48858%	101.9984
A-FL	\$289.720	6.82	30-day SOFR avg + 19	30-day SOFR avg + 19	0.24012%	100.0000
X-FX	Non-Offered					
X-FL	Non-Offered					

Details

- Co-Lead Managers and Bookrunners: J.P. Morgan Securities LLC and Amherst Pierpont Securities LLC
- Co-Managers: Barclays Capital Inc., Cantor Fitzgerald & Co., Robert W. Baird & Co. Incorporated and Samuel A. Ramirez & Company, Inc.

Related Links

- The K-HG3 preliminary offering circular supplement: <http://capitalmarkets.freddie.mac.com/mbs/data/khg3oc.pdf>
- Freddie Mac Multifamily [Investor Presentation](#)
- [Multifamily Securities Investor Access](#) database of post-securitization data from Investor Reporting Packages

The K-HG3 Certificates will not be rated, and will include three senior principal and interest classes and two interest-only classes. The K-HG3 Certificates are backed by corresponding classes issued by the FREMF 2020-KHG3 Mortgage Trust (KHG3 Trust) and guaranteed by Freddie Mac. The KHG3 Trust will also issue certificates consisting of the Class B, C and R Certificates, which will be subordinate to the classes backing the K-HG3 Certificates. The KHG3 Trust Class B, C and R Certificates will not be guaranteed by Freddie Mac.

[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, 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.freddie.mac.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.

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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](https://www.freddie.com), Twitter [@FreddieMac](https://twitter.com/FreddieMac) and Freddie Mac's blog [FreddieMac.com/blog](https://www.freddie.com/blog).

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