Freddie Mac Credit Risk Transfer Delivers Record First Half

August 30, 2022

MCLEAN, Va., Aug. 30, 2022 (GLOBE NEWSWIRE) -- Freddie Mac's Single-Family business today announced that its Credit Risk Transfer (CRT) program reported Second Quarter 2022 CRT issuance of approximately $6.5 billion, protecting approximately $151 billion in unpaid principal balance (UPB) of single-family mortgages. The total was a record for a second quarter.

Additionally, record first half 2022 issuances totaled nearly $15 billion, protecting $358 billion UPB of single-family mortgages. The issuances included our flagship STACR® (Structured Agency Credit Risk), and ACIS® (Agency Credit Insurance Structure) transactions, as well as other risk sharing transactions**.**

"Freddie Mac's Single-Family CRT program delivered record performance, introduced a new ACIS structure and reduced our costs via two STACR tender offers in the first half," said Freddie Mac's Mike Reynolds, Vice President of Single-Family CRT. "We added 17 new investors/(re)insurers in the second quarter, demonstrating continued market demand for our offerings and establishing the largest average investor base in program history."

Through its flagship offerings alone, Freddie Mac issued approximately $14.6 billion across 6 STACR and 8 ACIS transactions in the first half of 2022. Among the notable transactions in the first half was STACR 2022-DNA2. It was Freddie Mac's largest-ever CRT securities transaction, at $1.9 billion.

The first half of 2022 was the largest in program history for ACIS transactions, and included a new ACIS structure. ACIS 2022-COR1, the first structure with collateral comprised solely of cash-out refinance loans. The program also launched the ACIS 2022-AFH1 in the second quarter, a structure that reduces Freddie Mac's credit risk by protecting loans as they are purchased. Executed in June, ACIS 2022-AFH1 accelerated the placement of loans into an ACIS transaction by enabling underwriters to evaluate deal collateral via a proxy pool of previously securitized loans.

Additionally, in the first half, the company executed two tender offers for certain STACR Notes. More than $4.5 billion original principal balance of Notes were tendered and accepted. The tendered notes had substantially deleveraged and therefore no longer provided Freddie Mac with capital relief.

Since the first CRT transaction in 2013, Freddie Mac's Single-Family CRT program has cumulatively transferred approximately $99.9 billion in credit risk on more than $3.0 trillion in mortgages through STACR and ACIS. As of June 30, 2022, approximately 59 percent of the Single-Family mortgage portfolio was covered by credit enhancement.

About Freddie Mac Single-Family Credit Risk Transfer
Freddie Mac's Single-Family CRT programs transfer credit risk away from U.S. taxpayers to global private capital via securities and (re)insurance policies, providing stability, liquidity and affordability to the U.S. housing market. The GSE Single-Family CRT market was founded when Freddie Mac issued the first STACR® (Structured Agency Credit Risk) notes in July 2013. In November 2013, ACIS® (Agency Credit Insurance Structure®) was introduced. Today, the industry-leading and award-winning programs attract institutional investors and (re)insurance companies worldwide. For specific STACR and ACIS transaction data, visit Clarity Data Intelligence℠.

About Freddie Mac
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, investors and taxpayers. Learn more at FreddieMac.com, Twitter @FreddieMac, and Freddie Mac's blog FreddieMac.com/blog.

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