Freddie Mac Plans Pool-Level Social Index Disclosures

November 17, 2022

MCLEAN, Va., Nov. 17, 2022 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) today set Dec. 2, 2022, as the date it intends to publish a one-time historical file reporting Social Index scores for all active and inactive or paid off mortgage-backed securities (MBS) pools formed since January 2010. The disclosure is intended to help investors identify pools with greater concentrations of loans that possessed certain social characteristics at the time of pool formation.

“Investors are eager to know whether their investments in Freddie Mac MBS pools are supporting minority borrowers, first-time homebuyers, low-income buyers and low-income neighborhoods,” said Mark Hanson, Senior Vice President for Securitization at Freddie Mac. “The new Social Index will give them insight into the relative concentrations of these characteristics across our broad MBS issuance. We view the index as a good step in the evolution of social MBS issuance, and look forward to working with the market to drive further developments.”

The Social Index consists of two new pool-level fields in the enterprise’s MBS disclosures: a Social Criteria Share (SCS) and a Social Density Score (SDS). Scores for these pool-level fields will be included in the Dec. 2 historical pools disclosure. Beginning Dec. 2, 2022, we plan to disclose both scores daily at the time of MBS pool issuance for new pools.

SCS indicates the share of loans within the pool that meet any of the eight social criteria: low-income borrower, minority borrower, first-time homebuyer, low-income area, minority tract, high-needs rural, designated disaster area or manufactured housing. The criteria are classified across three dimensions (income, borrower, and property). SDS assigns a score to each loan based on how many criteria dimensions the loan satisfies and reports the average number of loan-level scores of loans in the pool up to a maximum of 2.5.

Freddie Mac is committed to continued engagement with the investor community for further developments in socially conscious investments, and expects to make the new disclosures available in conjunction with Fannie Mae, which will also report Social Index information on its pools.

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.

This is not an offer to buy or 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 most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC); all other reports Freddie Mac files with the SEC pursuant to Section 13(a) of the Securities Exchange Act of 1934 (Exchange Act), 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.

The financial and other information contained in this news release and in the documents that may be accessed through this news release 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.

These materials may 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 most recent Annual Report on Form 10-K, 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 http://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 news release.

MEDIA CONTACT: Fred Solomon
703-903-3861
Frederick_Solomon@freddiemac.com