Freddie Mac Announces Additional Details Regarding the LIBOR Transition

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MCLEAN, Va., Jan. 13, 2023 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) reiterated today that it will transition its legacy U.S. dollar (USD) LIBOR-indexed contracts to an index based on the Secured Overnight Financing Rate (SOFR) for loans and securities for which Freddie Mac is responsible for selecting the replacement index. The transition will occur the day after June 30, 2023, the last date on which ICE Benchmark Administration Limited will publish a representative rate for all remaining tenors of USD LIBOR. The selected replacement index for each legacy LIBOR product can be found on Freddie Mac's Reference Rates Transition webpage.

Additionally, in alignment with the Federal Reserve Board's final rule pursuant to the Adjustable Interest Rate (LIBOR) Act and based on guidance from Freddie Mac's Conservator, the Federal Housing Finance Agency (FHFA), Freddie Mac will not include term SOFR as a benchmark index for new loans or floating-rate securities. As a result, Freddie Mac also will not take any steps to convert existing 30-day Average SOFR-indexed floating-rate loans or securities from 30-day Average SOFR to term SOFR. The preceding sentences apply to Freddie Mac's multifamily floating rate loans, multifamily floating rate mortgage-backed securities, collateralized mortgage obligations and credit risk transfer securities.

We will update the LIBOR Transition Playbook and FAQs to help guide the housing finance industry in its transition to SOFR. Look for updated resources on Freddie Mac's Reference Rates Transition webpage .

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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