



Freddie Mac Single-Family Credit Risk Transfer Program Marks 10 Years

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MCLEAN, Va., Aug. 02, 2023 (GLOBE NEWSWIRE) -- [Freddie Mac's](#) (OTCQB: FMCC) Single-Family [Credit Risk Transfer \(CRT\)](#) program recently marked 10 years of innovation in credit risk management.

Freddie Mac launched its first-ever Single-Family CRT offering, STACR[®] (Structured Agency Credit Risk) 2013-DN1 on July 23, 2013, with \$500 million of notes across two classes. The first ACIS[®] (Agency Credit Insurance Structure) deal followed later that year, setting an industry standard for transferring risk using mortgage credit insurance policies. Since then, Freddie Mac has cumulatively transferred approximately \$108.1 billion of credit risk on more than \$3.3 trillion of mortgages through more than 180 STACR and ACIS Transactions.

"The first STACR and ACIS transactions in 2013 did more than help Freddie Mac manage its credit risk. These innovative products created a new asset class and launched a thriving market for mortgage-backed credit risk transfer securities and credit reinsurance. Today, investors and reinsurers from around the nation and around the world support a more liquid, stable and affordable U.S. housing finance system through CRT," said Freddie Mac's Mike Reynolds, Vice President of Single-Family Credit Risk Transfer.

Over the past 10 years, the Single-Family CRT program has gone through various market environments and has been resilient. Freddie Mac has continued to lead the industry as an effective credit risk manager through the development of advanced data analytics and innovative tools to help investors assess the risk of loss on the portfolio while programmatically issuing economically sensible transactions and continuously providing transparency based on market feedback.

In the first half of 2023, the Freddie Mac Single-Family CRT program reported issuances of \$2.6 billion, protecting more than \$71 billion in unpaid principal balance of single-family mortgages.

Additionally in the first half, the company executed two tender offers for approximately \$2.3 billion aggregate original principal amount of STACR notes. Freddie Mac also exercised early redemption options five ACIS policies. Between the tender offers and early redemptions exercised, Freddie Mac returned nearly \$2.3 billion of liquidity to the market. The tendered and redeemed notes in these transactions had substantially deleveraged and therefore no longer provided Freddie Mac with capital relief.

Given the anticipated lower loan purchase volume for the rest of 2023, Freddie Mac plans to issue between \$3.5 billion and \$5 billion total of STACR and ACIS issuances in 2023.

As of June 30, 2023, approximately 62 percent of the Freddie Mac 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's mission is to make home possible for families across the nation. We promote liquidity, stability, affordability and equity in the housing market throughout all economic cycles. Since 1970, we have helped tens of millions of families buy, rent or keep their home. Learn More: [Website](#) | [Consumers](#) | [Twitter](#) | [LinkedIn](#) | [Facebook](#) | [Instagram](#) | [YouTube](#)

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